

"Putting It All Together"
A History of Agricultural Cooperatives
Compiled From The Files of
Dr. George F. Henning

Edited

By

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PREFACE

This publication is an attempt to 'put together' the history of Ohio cooperatives started by Dr. George F. Henning. During his career as Professor of Agricultural Economics at The Ohio State University and following his retirement, Dr. Henning conducted extensive research of the history and development of Ohio agricultural cooperatives. Dr. Henning's files contained several papers he had prepared toward the preparation of his history, notes prepared from his research and several papers furnished him or prepared for him by early cooperative leaders.

The editor enlisted the assistance of many current agricultural leaders and students to review the papers and notes collected by Dr. Henning to determine what should be included in this publication. The editor is most appreciative of the efforts of those who assisted him by examining the lengthy papers, reports, speeches, memoirs, and notes; and also for their suggestions for materials to be included in the publication. It was the editor's decision to attempt to 'put together' all those notes and papers into this publication that could be determined as prepared by Dr. Henning for his history of Ohio cooperatives. Many of the memoirs, reports and letters provided to Dr. Henning by early cooperative leaders contained interesting accounts; however, it was assumed that Dr. Henning used this information in his research.

The reader will find that some commodities and some cooperatives are covered in greater detail than others. Dr. Henning had not completed his research at the time of his death and he had completed more work in some areas than others.

July 1, 1980

Dr. George F. Henning
1896-1973

Born in Defiance County, Ohio, in 1896, Professor Henning received three degrees from The Ohio State University; the Bachelor of Science in Agriculture in 1920, Master of Science in 1925, and Doctor of Philosophy in 1933. After completing his Bachelor's Degree he was County Extension Agent in Mercer County from 1920 to 1924. He joined the Ohio Agricultural Research and Development Center part-time in 1924 as an Assistant Professor while doing graduate work. As a part of his Ph. D. studies he held a social science fellowship at the University of California, Berkeley, in 1929-1930. In 1931, while maintaining his appointment with OARDC, he was appointed Assistant Professor on the faculty of The Ohio State University. Throughout his career he retained a research and teaching appointment half-time with the university and half-time with OARDC. He was promoted to Associate Professor in 1934 and to Professor in 1938. He retired from OSU and OARDC on January 31, 1966, but actively pursued his professional interests and the writing of this historical account of Ohio Agricultural Cooperatives.

Professor Henning was a veteran of World War I. He was a member of Alpha Zeta, professional agricultural fraternity, and Gamma Sigma Delta, agricultural honorary. He was a member of the American Agricultural Economics Association and the American Marketing Association, and served as President of the Central Ohio Chapter of the latter organization. In 1952 he received an award of recognition from the Producers Livestock Association for his pioneer work in the development of our present national system for marketing and merchandising livestock and meat products. In 1960 he served as a member of an International Cooperation Administration study team reporting to the Government of Turkey on a developmental program for agricultural marketing and agricultural credit.

During his long career his contributions in research and teaching were instrumental to the growth of the Department of Agricultural Economics and Rural Sociology. He taught courses in Agricultural Marketing, Agricultural Cooperatives, and Agricultural Business Management. His years of research in Agricultural Marketing were the basis for dozens of technical publications and numerous articles in trade papers and farm magazines. His many undergraduate and graduate students are today established members of the business and professional agricultural community throughout the world.

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Early Cooperative Organization and Activities

From Notes

by

Dr. George F. Henning

Edited

by

Dr. C. H. Ingraham

Records are conflicting as to when the first farmer cooperatives were started in America.

Some say that an early attempt at cooperative dairying (presumably a cooperative creamery) was made at Goshen, Connecticut, about 1810.

It is also recorded that a cheese factory was constructed and operating cooperatively in Rome, New York, beginning in 1851.

1867 - the first fruit and vegetable marketing association was formed in 1867 at Hammonton, New Jersey.^{1/}

Year after year, the "big three" commodity groups among marketing cooperatives are dairy products, grain and soybeans (including soybean meal and oil), livestock and livestock products. Fruits and vegetables hold their own in fourth place considerably below the three leaders in dollar value. Cotton and cotton products, eggs and poultry typically rank fifth and sixth.^{2/}

Farmer cooperation in North America dates back to colonial days. Farmers helped each other to clear land, erect buildings, and construct roads. They banded together for mutual protection against Indians and fire.^{3/}

1780s - Farmers organized societies to import purebred cattle and later had community drives of livestock to the eastern coastal cities. Early agricultural history often refers to log rollings, husking bees, thrashing rings; beef, bull and stallion rings; and other group activities.^{3/}

As farmers began to produce more products than they could consume they looked to cooperative techniques for marketing them. Cooperative principles also were used to form organizations to purchase supplies needed for production. The earliest efforts were informal in nature with neighbors pooling orders for a quantity of supplies. Farmers also joined together to provide needed services such as insurance protection against fire and wind.^{3/}

The history of cooperative marketing and purchasing by farmers in the U.S. divides itself logically into five periods. Each was molded by leaders emerging from a constantly increasing number of progressive farmers. (1) 1810-70, Experimentation; (2) 1870-90, Period of Grange stimulation; (3) 1890-1920, period of many new cooperatives; (4) 1920-1933, Period of orderly cooperative marketing; and (5) 1933-1955, Period emphasizing sound business principles and adapting to modern need. Current economic conditions, legal concepts, and changes in agriculture influenced each of these periods:^{3/}

^{1/} Jewett, Alyce Lowrie and Voorhies, Edwin C. Agricultural Cooperatives: Strength in Unity, p. 22 (also has information on Grange).

^{2/} Ibid, p. 125.

Chapter XXVI Postscript and Prediction -- Possible ideas for the future outlook of cooperatives.

^{3/} Farmer Cooperative in the U.S. Farmer Cooperative Service Bulletin 1, December 1955, p. 10.

(1) 1810-70 Experimentation - This was the period of searching for self-help methods and techniques that farmers might use to solve their economic problems.

Farmer cooperative business organizations had their beginnings in detached groups scattered through the Northeastern States, the Cotton Belt, the Upper Mississippi Valley and far West. 4/

Among the earliest recorded cooperative associations are:

Dairy - 1810 - Goshen, Connecticut. Early attempts were made at cooperative dairying. 5/

1860 - Several cooperative cheese and butter factories were established in New York and other states. 5/

1867 - More than 400 cooperatives were processing dairy products in the U.S. 5/

Grain - 1857 - Wisconsin farmers formed the Dane County Farmers Protective Union and erected a grain elevator at Madison. 5/

1867 - Illinois farmers organized two grain marketing associations. 5/

Auction - 1860 - Bureau County, Illinois, farmers developed a cooperative hog auction. 5/

Purchasing

Supplies - 1850 - Farmer clubs in Wisconsin and Illinois attempted to purchase production supplies. 5/

1863 - Riverhead, New York. A farmers purchasing association was organized to buy fertilizer for its members.

1867 - Hamonton, New Jersey. Cooperative fruit marketing association was formed, 1884 expanded to include purchasing. 5/

Very few of these ventures were still in operation in 1955. 5/

1865 - Michigan passed what is believed to be the first law recognizing the cooperative method for buying and selling. Some years earlier the New York legislature had provided for cooperatively organized mutual insurance companies. 5/

(2) 1870-90 Period of Grange Stimulation - Grange was founded in 1867. Early Granges assembled farmer-members orders and placed them with dealers who shipped carloads directly to farmers.

4/ Ibid., pp. 10-11.

5/ Ibid., p. 11.

1871-76 - More than 20,000 local Granges as well as 26 state agency systems were established.

1874 - The National Grange sent a representative to Europe to gather information about cooperation, and as a result the Grange began to sponsor the organization of business cooperatives. 5/

1875 - An earlier writer on cooperation says, "The great contribution of the National Grange was the formulation and distribution in 1875 of a set of rules for the organization of cooperative stores. These rules were based on those of the 28 weavers of Rochdale ..." (The Rochdale Equitable Pioneers Society was the first organized consumer cooperative in Rochdale, England in 1844). 6/

Many cooperative Grange stores were organized in Michigan, Maine, New York, Kansas, Texas and California. They sold groceries, clothes, general farm supplies, hardware and agricultural implements. These were more successful than earlier Grange organizations which sold goods below going prices or distributed savings on the basis of stockholdings.

Grange banks were also established in Kansas and California and the manufacturing of farm machinery was undertaken in Iowa.

Grangers in the southern states concentrated on marketing cotton. 7/

1871 - Forty Grange cooperatives in Iowa were operating elevators by 1871.

Kentucky Grangers sponsored warehouses for receiving and handling tobacco.

As the country recovered from the depression of the 1870s, fewer Granges were organized and many cooperatives went out of existence. 8/

1888-1895 Farmer's Alliance sprang up in several areas following the decline of the Grange, particularly in the south. The Agricultural Wheel in Arkansas and The Northwestern Alliance in Illinois became a part of the Alliance during this period. 9/

1890 - There were about 1000 active cooperatives at this time:

75% handled dairy products
10% handled grain products
10% handled fruit and vegetables 9/

(3) 1890-1920 Period of many new cooperatives.

Agricultural Cooperatives finally become established as a part of the

6/ Ibid., pp. 11-12.

7/ Ibid., p. 12

8/ Ibid., pp. 12-13.

9/ Ibid., p. 13.

economic system for serving United States farmers during these three decades.

1921 - There were 2100 farmer supply purchasing associations.

1922 - There were 12,000 marketing associations. 9/

1902 - The Farmers Educational and Cooperative Union of America was launched in Texas as an outgrowth of the Farmers Alliance movement; it placed a major emphasis on economic activities, and from the start it sponsored and advocated cooperative business enterprises. The Farmers Union also exercised a great deal of influence in organizing cooperative livestock shipping associations, both local and regional, commission associations at terminal points, grain marketing associations and creameries. 9/

1902 - The American Society of Equity began in southern Illinois. Its first efforts were directed mainly to marketing livestock, grain, potatoes, and general produce. Many local cooperatives soon began to handle farm supplies. It also sponsored several livestock packing plants in 1913. 10/

1905-1910 - Concentrated attempts were made to develop terminal marketing cooperatives during this period. 10/

1906 - A cooperative livestock commission company began operation on the Midwest terminal markets. 10/

1910-20 - Local cooperatives increased at a rapid rate; nearly 7000 marketing cooperatives and 1300 supply cooperatives were organized. 10/

By the end of this period, three strong types of cooperatives were dealing with the marketing problems. These included federations of locals, centralized cooperatives, and terminal marketing cooperatives. 10/

1918 - The Ohio Wool Growers Cooperative Association started in Columbus, Ohio. 11/

1908 - President Theodore Roosevelt created the Country Life Commission which took an interest in cooperatives. 11/

1913 - President Woodrow Wilson sent a commission to Europe to study cooperation and report its findings. Also in 1913, the USDA established an Office of Markets with a project in cooperative purchasing and marketing.

1914 - The Smith-Lever Act, passed in 1914, provided for the extension system of the USDA and the State Agricultural Colleges. County and State Farm Bureaus were formed as agencies to promote agricultural extension work. Education in selling farm products and purchasing supplies was considered part of the county agent's duties. County agents assisted in organizing many cooperative associations. 11/

Much of the growth of farmer cooperatives during the 1910-20 period was

10/ Ibid., p. 15.

11/ Ibid., p. 16.

generated by their successful operations. The formula for making such enterprises succeed had become common knowledge. The air was filled with optimism as to their possibilities. Likewise, World War I stimulated food production and increased prices for items bought by farmers probably stimulating their interest in cooperative purchasing of supplies. 11/

(4) 1920 - 1933 Period of Orderly Commodity Marketing

Early in 1920 farmers were given a new slogan, "Orderly Commodity Marketing." Regional associations were to handle the entire output of various crops in the important producing areas. Back of the enthusiasm with which the idea was presented was the implied promise of monopoly control and monopoly prices. 11/

April, 1920 - Original impetus to this movement was given at a meeting in Montgomery, Alabama by a California lawyer, Aaron Sapiro. 12/

Many regional associations were formed at this time.

1920 - There were 16 centrally controlled cooperatives with 50,000 members.

1925- The number had risen 74 with about 880,000 members. 13/

1919 - The national organization of the American Farm Bureau Federation was founded. It sponsored the organization of cooperatives by frequently assuming pre-organizational expenses and furnishing initial capital. These expenses were usually repaid later by the cooperatives. 13/

1921-1923 - Farm Bureaus in Indiana, Ohio and Mississippi pooled members' orders for carload shipments of items used in quantity. 14/

Mid-1920 - Many county-wide Farm Bureau supply associations were incorporated. Within a short time a number of statewide Farm Bureau wholesale cooperatives were organized to serve them. These developed into effective organizations, many now providing marketing as well as purchasing services. 15/

A number of national organizations were also founded during the 1920s.

1. The National Council of Farmer Cooperative Marketing Associations (1922-1926).
2. The National Cooperative Council (1929); this later became the present National Council of Farmer Cooperatives, Washington, D.C.
3. 1925 - The American Institute of Cooperation, Washington, D.C. This is an educational body and is operating today.
4. The forerunner of the National Milk Producers Federation, Washington, D.C. This was set up in 1916 and expanded in 1923. 15/

12/ Ibid., pp. 16-17.

13/ Ibid., p. 17.

14/ Ibid., pp. 17-18.

15/ Ibid., p. 18.

Three legislative acts of national concern to cooperatives were put on the books:

1. 1922 - The Capper Volstead Act.
2. 1926 - The Cooperative Marketing Act. Provided for a division of cooperative marketing in the USDA. This division has become the Farmer Cooperative Service. 15/
3. 1929 - The Agricultural Marketing Act. Established the Farm Board. A revolving fund of half a billion dollars was authorized, among other things, to assist cooperatives. As a result, the following organizations were formed:
 1. National Livestock Marketing Association, Chicago.
 2. National Wool Marketing Corporation, Boston.
 3. American Cotton Cooperative Association, Memphis.
 4. National Beet Growers Association, Denver.

These were all federations of regionals or terminal marketing cooperatives. 15/

Closing of Farm Board activities marked the end of the rapid development of large commodity cooperatives. Several of these are now out of business. They could not live up to the high expectations that had been generated. They never controlled a sufficient portion of any product to exert a strong market influence. 16/

- (5) 1933 to date (1955) Period emphasizing sound business principles and adapting to modern needs.

During this period marketing cooperatives were affected by economic depression, drought, agricultural adjustment programs, increased production of food for World War II, inflation and post-war adjustments. Farm supply cooperatives were also affected by shortages of many supply items during the war period and by increased use of supplies brought about by shifts to mechanization, diversification, scientific and commercialized farming. 17/

Local marketing associations declined in number, but increased in size, membership and volume. The number of federations and centralized organizations as well as bargaining associations have increased. 17/

Early 1930 - Legislation creating the Farm Credit Administration was passed. It established:

1. Banks for cooperatives.
2. Production credit associations. 18/

1913 - Research, service and educational work was begun by the USDA. 19/

1926 - Cooperative Marketing Act - strengthened and formalized this work. It is now being carried on by the Farmer Cooperative Service. 19/

16/ Ibid., pp. 18-19.

17/ Ibid., p. 19.

18/ Ibid., pp. 19-20.

19/ Ibid., p. 20.

1933-35 - There was an increased emphasis on managerial, employee and director training; managers and employee compensation and incentive plans; departmentalizing of operations; membership and public relations; and operating efficiency. 20/

1933-55 - Showed a marked trend in decentralization in livestock marketing.

An important development in cooperative poultry and egg marketing was the organization of small associations originally selling by the auction method, in the NE states and in Ohio, Indiana, and Illinois. 21/

1940 - First cooperative organized to process and market broilers. 21/

1939 - First cooperative petroleum refinery was built. 22/

After World War II farmer cooperatives made much progress in modernizing their facilities. Farmer cooperatives strengthened their bargaining power by cooperating among themselves (merger and consolidation).

1955 - There were over two and one half times more federations of cooperatives, about 75 percent more centralized organizations and 25 percent more bargaining associations than at the end of the 1930s. 23/

The Gleaners

"The Gleaners began in Michigan in 1894. It was primarily a fraternal order with life insurance as one of its leading objects . . . The organization dealt not only in farm products but also in farm supplies. The membership of this organization was about 80,000 mainly in Michigan with additional members in adjoining states." 24/

There were in the spring of 1919, 82 Gleaner Arbors in Ohio. Figure 1 located in ten counties in Northwestern Ohio, four counties in northeastern and five counties in Central Ohio.

"In 1919, 50 of these arbors had an average membership of 57. About 85 percent of the membership had gleaner insurance which was a prominent feature of the organization. Seventy percent of those replying, reported some collective buying. Binder twine was the most important commodity purchased, then coal, brooms, groceries, seeds, fencing, also some tile, fertilizer, lime rope and soap. In one instance, a small cooperative store was operated."

"Most of this buying was done through the Gleaner clearing house in Detroit." 25/ Buying of farm supplies by this organization declined completely

20/ Ibid., pp. 20-21.

21/ Ibid., p. 21.

22/ Ibid., p. 22.

23/ Ibid., pp. 22-23.

24/ From "Marketing Agricultural Products" by Benjamin H. Hibbard, Professor Agricultural Economics, University of Wisconsin, published in 1923 by D. Appleton & Company, p. 191.

25/ H. E. Erdman, Ohio Experiment Station Bulletin 342, Organization Among Ohio Farmers, pp. 133-134.

Figure 1. Location of 82 Gleaner Arbors
in Ohio, 1919



after 1928, although a few farmers in Northwestern Ohio had life insurance in 1965, which had been sold to them in the nineteen twenties. The insurance had been taken over by another organization.

The Grange

Banking - The most extensive work in banking was done by Grange members in California. In 1874 they established the Grange's Bank of California. Within a year they had two million dollars on deposit and a paid-up capital of \$500,000. 26/

Why business efforts failed

Business efforts by the Grange were, in general, unsuccessful because:

1. The farmers lacked the ability to cooperate with each other.
2. The farmers did not possess the necessary business qualifications.
3. The farmers were isolated from each other and they did not have the cooperative spirit to patronize their own organizations.
4. The farmers lacked the capital requirements to withstand the competition of independent dealers.
5. The farmers failed to perform all of the functions and services of the local businessmen.
6. The states did not provide laws for organization under the Rochdale plan.
7. Many farmers did not have the money to pay cash.

Benefits of Grange Cooperative Efforts

1. The farmers saved money as long as the enterprise existed.
2. Pecuniary benefits were an incentive to join the organization.
3. Farmers learned that "middlemen" performed a function.
4. Merchants discovered that farmers could organize and exert pressure on them.
5. Farmers learned the advantage of buying in large quantities.
6. The cooperative attempts assisted in eliminating the credit system.
7. The business enterprises gave the farmers business training. 27/

The Grange Since 1875

The membership of the order declined from 858,050 persons in 1875 to 106,782 in 1889.

Causes:

1. The standard of admission was too low. Too many persons joined the order who were not interested in agriculture. According to D. W. Aiken, "Everybody wanted to join the Grange then; lawyers to get

26/ National Grange Proceedings, 1881, p. 36.

27/ Buck, The Grange Movement, Cambridge, 1913, pp. 60-73.

clients; doctors to get customers; Shylocks to get their pound of flesh; and sharpstels to catch the babes in the woods."

2. The members expected too much. Promises of large savings were made which did not materialize.
3. Too many Granges were formed.
4. The majority of the cooperative enterprises failed.
5. Economic conditions improved after the panic of 1873.

(A map of density is in Blosser Thesis, 1937).

Cooperative Purchasing of Farm Supplies From 1900 to 1920.

The Ohio State Grange continued its cooperative purchasing for the period after 1900 similar to the preceding years. R. L. Holman who was in charge of the cooperative department made his last report in 1904. He said in part, "By the concentration of our trade at trade centers there has resulted a saving of thousands of dollars, not only to our membership but to farmers generally. The Ohio State Grange has gone into the markets for its supplies, prices have dropped from one-fourth to one-third on agricultural machinery, fertilizer, binder twine, salt, and other articles." The report stated that all expenses of the purchasing department had been met and there remained a nice surplus as a result of the small commission charged on all supplies. 28/

D. E. Dunham of Lebanon, Ohio, became the next business agent for the Ohio State Grange. In his first annual report in 1905, he stated that the twine contract was very satisfactory and that it was supported by 220 Granges with an aggregate purchase of 183,200 pounds and figures the saving on this alone of \$3,664. He further recommended that a business agent be elected in each Subordinate Grange to co-operate with the business agent of the State Grange. 29/

In his report in 1906, D. E. Dunham stated: "There has been a welding together of our individual forces to the betterment of our cooperative department." He reported the fertilizer contracts satisfactory and well supported; the volume of business was 2400 tons, with a net saving to purchasers of \$5,000."

In his final report as business agent in 1912, Mr. Dunham offered the suggestion that, "The State Grange might well have a milk producers association, which could be made of great value to patrons."*

28/ Diamond Jubilee History of Ohio State Grange, pp. 59-60.

29/ Ibid., p. 60.

* The Grange was instrumental in helping to start many cooperatives--encouraging and nuturing them until they could stand on their own feet.

George T. Watts was selected as business agent in 1913 and the volume of business continued to increase. In August of 1919, Mr. Watts reported to the executive committee stating that 2,341 tons of fertilizer had been sold and 1,164,500 pounds of twine had been shipped. 30/

For the year 1921, W. G. Vandembark became business agent and reported 4,000 tons of fertilizer and 400,000 pounds of binder twine had been sold. 31/ There was no report mentioned for 1920.

For the period from October 1, 1917 to September 30, 1918 Erdman reported the following: 37 local granges bought 2395.6 tons of fertilizer, 42 local granges bought 89,395 pounds of twine, seven purchased 334 bushels of seed corn, ten bought \$4,195.00 of grass and other seeds and six purchased 1,564 tons of lime. 32/ This gives a reasonably good summary of the business activities of the Ohio State Grange preceding World War I. Very little collective selling was done. A few reported selling lambs and wool and one reported selling eggs. 33/

The Ohio State Grange continued to purchase supplies for those who were interested but did not engage in marketing activities. However, the Grange members did become affiliated with cooperative elevators, dairy, livestock and other marketing cooperatives that were organized.

Mutual Fire Insurance

The Ohio Grange was also responsible for organizing three mutual fire insurance associations during the late 70s. 34/

- (1) The Patrons Mutual Relief Association, Bellville, Ohio. State-wide, organized in 1877.
- (2) Ohio Grangers Mutual Insurance Company, Jefferson, Ohio. State-wide, organized in 1878.
- (3) Sandy and Beaver Valley Farmers Mutual Insurance Company, Lisbon, Ohio, Columbiana County. State-wide, organized in 1877.

Other fire insurance companies were started later by the Grange, but after 1900.

30/ In a letter received from John F. Dowler in 1966 who was then Secretary of the Ohio State Grange and furnished the above information from the Records of the Grange.

31/ Ibid.

32/ H. E. Erdman, Bulletin 342, Ohio Agricultural Experiment Station, 1920, page 131.

33/ Ibid.

34/ Diamond Jubilee History Ohio State Grange, p. 62. The above three were listed in organizations operating December 31, 1899.

Early Cooperative Movement in Ohio

General

1803 - The Miami Exporting Company was organized. Its purpose: to find a market for the agricultural products of the state. Later it developed into the first bank of Ohio. Though for a number of years it was an active force in promoting river navigation and engaged on its own account the transporting of products to New Orleans. This was not a cooperative organization, but it sought actively to enlist the support of the farmers and was made up of both farmers and merchants. 35/

1820 - The Licking Exporting Company was organized by the Welsh settlement at Granville, Ohio. It was composed of farmers who associated together for the purpose of sending their produce to market. The first attempt was the marketing of hogs. These were put into the custody of representatives of the company and driven to Sandusky, where they were slaughtered, the pork being packed and shipped by boat to Montreal. An agent of the company went with the shipment to Canada to make the sales, where he realized \$1.25 per hundredweight for the pork. The venture was not a profitable one and was not repeated.

"This attempt at business cooperation is the earliest in the state of which we have any account, and possessed most of the elements of modern cooperation: (1) The product was brought together at the point of production; (2) It was transported economically; (3) It was uniformly handled and packed; (4) It was presumably sent to the best market; (5) A representative of the company was at the point of sale." 35/

Early Ohio Organizations

The "Shakers" - This was an organization that was not primarily agricultural, but religious. It exerted a great influence on agriculture, however. The "Shakers" were also known as the Communistic Society of United Believers.

The movement in Ohio was a direct out-growth of the great Kentucky revival, which swept across the river and into southern Ohio in the early part of the century.

Union Village, Warren county was formed in 1805 and was not dissolved until 1913, at the time of its dissolution, it was in possession of several thousand acres of as fertile well-improved land as there was in the state.

Members could not own property of any sort in land or in goods. When a person became a member of the church all his property was made over to the society absolutely.

The Shakers developed the factory system. A grist mill, a broom factory and other small factories were established, both for their own use and for

35/ Ohio Agricultural Experiment Station Bulletin 326, July 1918, pp. 83-84.

commercial work for those outside the organization. The farm and the factory supplemented each other, and thus they were able to solve the problem of seasonal distribution of farm labor.

The society was eventually destroyed by its prohibition of marriage among its members. 36/

The "Zoarites" - The Zoarites were similar to the Shakers, so far as the practice of communism is concerned. This was the society of Zoar, or Separatists, of Tuscarawas county.

Their success was largely due to their leader, Joseph Bimelar. After his death the society declined and was finally dissolved in 1898. 37/

Cheese

1850 - New England, New York, Ohio and Pennsylvania were the centers of cheese production. 38/

1836 - The entire state of Ohio was reported to have produced little more than 1,000,000 pounds of cheese. 38/

1847 - A factory in Trumbull County was reported to be making 1000 pounds of cheese per day. 39/

1848 - The Western Reserve counties alone sent out over 15,000,000 pounds of cheese, chiefly to eastern markets. 38/

About 1850 - The first attempts were made to establish the factory system of cheese making in Ohio. 39/

1849 - Another was in operation in Ashtabula County. Others were established in adjoining counties. 39/

The early factories were apparently unsuccessful as in 1859 they were said to have all closed down, having proved unsatisfactory. 39/

1899-1909 - The number of creameries and cheese factories in the state decreased more than 25 percent, due largely to the increasing demand for market milk and cream. 39/

Cheese Factory

There was a cheese factory reported in Ohio in the U.S. Census of 1820, operating in Champaign county. It employed one man and five women and used 12,500 gallons of milk for which it paid \$365 or less than three cents a gallon. The total value of yearly output was \$1,226. 40/

Cheese from the pioneer dairies was among the first shipments to southern points from the New England settlements at Belpre in Washington county.

36/ Ibid., pp. 84-85.

37/ Ibid., pp. 85-86.

38/ Ibid., p. 87.

39/ Ibid., p. 98.

40/ Ibid., p. 64

George Stillson, Trumbull county, took 800 pounds of cheese to Pittsburgh in 1803. He began his sale at 16 2/3¢ a pound, but found cheese in such demand that he sold the remainder of the load at 25 to 37 1/2¢ a pound.

Harvey Baldwin in 1820 took the first cargo of cheese down the Ohio River from the Western Reserve. The cargo consisted of about a ton of cheese, which had been hauled by ox teams from Aurora to Beaver Falls, Pennsylvania. This proved a profitable venture and was the real beginning of the cheese industry of the Reserve. Soon thereafter shipping cargoes of cheese south became a regular business and its home manufacture became an important feature of the agriculture of N.E. Ohio. The cheese boats stopped first at Wheeling and at all important points down the river to New Orleans. Prices varied at different ports and in different seasons, 25¢ to 35¢ a pound being the usual price. The price received by the farmer's wife at the country store was often three to five cents a pound. 41/

Cheese Factories

Origin

In 1833, John Zimmerman came to Ragersville from Switzerland and established the first Swiss cheese factory in Auburn township. 42/

In 1833, William Isaly and Jacob Steiner arrived in Ohio from Switzerland. Isaly settled in Monroe county and began cheesemaking. Steiner acquired a piece of land two miles east of Ragersville, Ohio, where he set up a small cheese factory which consisted of a small kettle suspended over an open fire in the middle of a woods. He made cheese for family use for the first few years.

About 1850 he began to buy milk from ten neighboring farmers and constructed a small shed in which cheese was made for many years.

The factories of Steiner and Isaly were the first in Ohio traceable to their beginnings, but older residents of the area vouch for the fact that numerous factories existed in the 1860s. 43/

In 1855, the Ladrach family came to Ragersville from Switzerland and started making cheese in the Ragersville area in 1858. 43/

There were a number of Swiss people that came over together in one boat load. They settled in three areas of Ohio: Monroe county, the Mahoning Valley and west Tuscarawas (east Holmes counties). The history of these three settlements is about the same. 44/

The first cheese to be made on a factory basis was in Oneida county, New York, in 1851. 45/

The oldest Swiss cheese plant still operating is the Burkey plant in Sugarcreek township. It was built in 1865 on the John Burkey farm. 46/

42/ Article by Fred Ryser in Early Pioneer Swiss Cheese Makers, Dec. 7, 1951, Sugarcreek Dairy.

43/ The Ohio Swiss Cheese Association, Inc., Sugarcreek, Ohio.

44/ A. J. Ladrach, Sugarcreek, Ohio.

45/ The National Dairy Council, 1929.

46/ The Daily Reporter, Dover, Ohio, October 27, 1935.

The Steiner factory in Baltic, Ohio is run today by the same family as the one started in Ragersville in 1850. 47/

1918 - The Ohio Swiss Cheese Association was formed.

Reasons:

1. Swiss people came to America for religious reasons after the time the Reformation. 44/
2.
 - a. Economic necessity to build factories. 44/
 - b. Keep milk from spoiling. 44/
 - c. This area (Ragersville) is about equal distance from Cleveland, Pittsburg and Columbus. Much transportation cost and spoilage to these central markets. (milk) 44/
3. People knew the business and brought it with them from Switzerland. 44/
4. Necessity was the mother of the Swiss cheese capital. The spread of the corn and wheat belt across the Great Plains knocked Tuscarawas farmers out of large scale competition. The terrain was rough and the fields were too small for gang plows and large harvesting machines. Raising beef was just as frustrating; dairying and cheese making was the answer. 48/

Fruits

1878 - The Catawba Dock Company of Clinton, Ohio, is known to have actively engaged in shipping peaches as early as this. 49/

1881 - The Delaware Fruit Exchange of Wilmington, Delaware, established grades, made inspections, and sold peaches by auction for its members. 49/

Ohio Wool Growers Association

Late in April of 1918 a group of Ohio wool men were convinced from the attitude of country buyers that growers would not receive the prices which the United States government had fixed when taking over the wools of the United States for 1918. 50/

This resulted in a meeting of interested wool producers at the Ohio State University on May 25, 1918, for the purpose of protecting the interests of the growers. Meanwhile, correspondence was taken up with Lewis Penwell, head of

47/ David Lenacher

48/ The Daily Reporter, Dover, Ohio, September 23, 1963.

49/ Farmers Cooperative Service Bulletin 1, "Farmers Cooperatives in the U.S.," page 61, December 1955.

50/ Frank C. Dean, The Farm Bureau in Ohio, published by Ohio Farm Bureau Federation, November 1, 1924, pp. 44-46.

the Wool Department of the War Industries Board, as to what growers could do in reference to turning their wools over directly to the government. Mr. Penwell answered that if the growers of Ohio desired to pool their wools, as had already been suggested by the War Industries Board, it could be arranged provided that they secure suitable warehousing in a recognized distributing center, graders, and labor, and show sufficient financial power to protect the interests of the growers. His estimate was that it would require at least \$1,000,000 to undertake the proposition. He suggested Wheeling, West Virginia, as the nearest distributing center recognized by the government, Ohio not having a wool warehouse of any size at that time.^{50/}

Mr. J. F. Walker hired to organize the state on a basis of \$1.00 per year per member.

A committee consisting of William Hedges, W. B. Crosky and J. F. Walker was appointed to go to Wheeling to arrange for the handling of the wools. This committee, after going over the situation, secured the services of Horkheimer Brothers who assumed all charges in connection with the handling and storage of the wools on the basis provided for by the government, and a charge of one-half percent was deducted to cover the Association's expense.^{50/}

The hastily improved association assembled 275,000 pounds of wool during the season which netted the grower 72½ cents per pound as against 60 and 65 cents local buyers had been paying prior to the organization of the Association. This represented merely the difference in the costs of the two methods of handling wool. Prices were absolutely the same and had been fixed for the entire year's clip so there was no risk to run in handling of wools. ^{50/}

The success of the organization's work attracted wide interest. At a conference called at Columbus in January, 1919, a hundred delegates were present from 12 midwestern states and from Canada. As a result of this meeting several other states undertook cooperative wool marketing, using the Ohio organization largely as a pattern.^{50/}

The results obtained in 1918 so clearly demonstrated the value and need of the continuance of the Association that plans were laid to place it on a permanent basis. Space was rented in a warehouse at Columbus in order to better accommodate the growers; the warehouse at Wheeling was retained for eastern Ohio growers.^{50/}

Early in 1919 the association incorporated so as to be in a better position to transact business. It was incorporated as a capital stock organization for

^{49/} Farmers Cooperative Service Bulletin 1, "Farmers Cooperatives in the U.S.," p. 61, December 1955.

^{50/} Frank C. Dean, The Farm Bureau in Ohio, published by Ohio Farm Bureau Federation, November 1, 1924. pp. 44-46.

\$10,000 with shares of a par value of one dollar. Each member could own only one share.^{51/}

A warehouse was obtained in Columbus in 1919 and served the wool growers for many years.^{51/}

For the year 1919 about 2,000,000 pounds of wool were marketed with an average net price to the grower of 67½ cents or 17 cents above the local markets.

In 1920 the organization served some 5,000 consignors and that year handled around two and a quarter million pounds of wool, netting the growers 32 cents on all grades. This was the year when there was little market for wool, yet consignors secured a nickel a pound above local prices.^{50/}

^{51/}H. E. Erdman, Ohio Experimental Station Bulletin 342, "Organization Among Ohio Farmers", p. 136.

The First Efforts of Cooperative Marketing
And Purchasing in Ohio Before 1900
1820-1900

One of the first attempts in Ohio to market cooperatively an agricultural commodity dates back to 1820. A group of Welsh farmers near Granville, Licking County^{1/}, Ohio were dissatisfied with the prices they had received for the hogs they produced and formed the Licking Exporting Company in 1820.

From 1802 to the development of the railroads many hogs and cattle were driven eastward from Ohio over trails to Baltimore, Maryland, Philadelphia and other eastern markets.^{2/} Undoubtedly, the farmers around Granville developed the idea they should use the St. Lawrence River as a water route for transportation and save the time and effort to drive animals over trails to eastern markets.

Their first and only attempt was the marketing of hogs. They were placed into the custody of representatives of the group and driven to Lake Erie, about where Sandusky is now located^{3/}, and where they were slaughtered, the pork was packed in barrels and shipped by boat to Montreal. An agent of the organization went with the shipment to Canada to make the sales, where he received \$1.25 per hundredweight for the pork. The venture was not a profitable one, and it was not repeated.^{4/} This attempt at business cooperation for farmers is the earliest in Ohio, of which we have any account, and possessed most of the elements of modern cooperation:

^{1/} Located about 20 miles northeast of Columbus.

^{2/} Professor Charles S. Plumb in Marketing Farm Animals, published in 1927, describes the overland trails from the Ohio valley and Kentucky from 1802 on to the eastern markets. These overland drives were a method of transportation and marketing but were not cooperative marketing as it is generally accepted. Plumb states "in 1810 according to Kilbourn in the Ohio Gazetteer, it was estimated that about 40,000 hogs were driven annually from Ohio to Baltimore, Philadelphia and eastern markets. Plumb also reports that many drives of cattle were driven to eastern markets over the National Pike.

^{3/} Today this distance from Granville by auto is approximately 105 miles. During the 1820 period with only trails it was probably 125 miles or more.

^{4/} W. W. Lloyd, J. I. Falconer, C. E. Thorne, Ohio Experimental Station Bulletin, 326, "The Agriculture of Ohio", pp. 83-84.

- (1) The Product was brought together at the point of production
- (2) It was transported economically
- (3) It was uniformly handled and packed
- (4) It was presumably sent to the best market, and
- (5) A representative of the Organization was at the point of the sale.^{5/}

The following were a few local prices in Licking County at that time (1820): wheat, 25¢ a bushel; oats, 12 1/2¢; corn 12¢; flour, \$1.00 a hundred-weight; eggs, 3 1/2¢ a dozen; maple syrup, 6¢ a gallon; potatoes, 12 1/2¢ a bushel. These were the values which were given these articles in exchange for other goods.^{6/}

No other efforts were made of any historically importance in the cooperative marketing of agricultural products or the purchasing of farm supplies until the Ohio State Grange became active in the 1870's.

Cooperative Purchasing and Marketing by the Ohio State Grange

Until 1870 there was very little activity in Ohio that would be classed as cooperative enterprise other than neighborhood groups getting together to assist and help one and other.

The first Grange in Ohio was organized at East Cleveland, March 2, 1870. Grange number two was organized at the home of Henry McDowell in Stark County and Grange number three in Hocking County.

On April 9, 1873, representatives from 21 Granges met in Lebanon, Warren County and organized the Ohio State Grange.^{7/} From that date to the present time, the Grange and its leaders have been a representative for Ohio agriculture.

W.H. Hill was selected the first business agent and made his first report to the annual session of the Ohio State Grange held in Columbus, March 8, 1875. Apparently at that time the initial efforts were made to purchase farm supplies, agricultural implements and to sell livestock on the Cincinnati market.

During the Ohio State Grange meeting of February 15 to 18, 1876, in Cleveland, W.H. Hill, from Hamilton County, reported in part as follows:

^{5/} Ibid.

^{6/} Ibid.

^{7/} Diamond Jubilee History Ohio State Grange, pp. 26-27.

"The arrangements for the sale of stock at the Union Stockyards in Cincinnati, for the season of 1874-75, proved an utter failure. Profiting by the experience of that season, we determined to secure the services of someone who was a member of our Order, believing that such a person would better serve the interest of Patrons. We were fortunate in securing the services of Brothers Joseph Allen and William H. Shultz, who entered upon their duties at the beginning. A stockbroker's ring had been organized to subjugate and drive them from the field. But they stood by their posts manfully, and their success has been complete in every respect."^{8/}

Apparently there was not sufficient interest by farmers at that time to continue the effort to sell livestock on the Cincinnati market and it was dropped.

W.H. Hill wrote later in 1876: "The arrangement for the sale of wool was the best that could be made under the circumstances. An agent was employed at one-half cent per pound to go to Philadelphia and receive all wool consigned by patrons in Ohio. The result was a saving of from five to seven cents per pound over wool to local agents."^{9/}

The report also stated that Mr. Hill recommended that a wool house be established in some central location where wool consigned by patrons could be received, graded, and sold direct to manufacturers.^{10/} Apparently this suggestion was not accepted, since no wool warehouse was started at that time.

On April 1, 1877 the cooperative department of the Grange which had been previously organized "was placed on a self-sustaining basis and a commission was to be charged on sales and purchases sufficient to cover actual expenses."^{11/} "Quite a number who had patronized the department opposed the change and some refused to cooperate further, but the loss in volume of business from this source was more than made up by the orders placed by new patrons."^{12/}

Apparently the Business Activities of the Ohio State Grange during these early years ran into difficulties. The business activities were not handled in a good business manner, many accounts receivable were uncollectable, inventories were not handled properly and other dissatisfactions developed.

^{8/} From a letter of Mrs. Byron Frederick of August 31, 1965 to the author giving the report of W.H. Hill at the third annual session of the Ohio State Grange.

^{9/} Diamond Jubilee History Ohio State Grange, p. 56.

^{10/} Ibid.

^{11/} Ibid.

^{12/} Centennial History, Ohio State Grange, John F. Dowler, 1973, p. 131.

In 1888 the executive committee of the Ohio State Grange reported, "After all these years of schooling, we find it still difficult to carry forward schemes of cooperation in buying and selling. Arrangements were made to supply patrons with twenty tons of binder twine, the executive committee of the State Grange becoming personally responsible for the payment of the same."^{13/}

Apparently there was much interest in purchasing binder twine during this early period for in 1891 the Cooperative Department of the Ohio Grange reported that 75 tons of twine found its way to the farmers.^{14/}

R.L. Holman for 1892 reported, "All sales amounted to about \$50,000. Arrangements were made for the purchase of binders at \$90 and mowers at \$35 and yet not over one hundred were sold in Ohio and adjoining states."^{15/}

During the late nineties it was apparent from the reports that cooperative purchases were small and volume was as low as \$33,000 annually.

"The Grange Cooperative Department was incorporated as Grange Services, Inc., in 1946. In 1948 Grange Services, Inc. had sales of \$280,000 but by 1958 sales had declined to \$55,000. The Grange Services, Inc. at their annual meeting in February 1961, decided their usefulness had been fulfilled and it was voted to liquidate the company, by paying off the shareholders 100% on their investment. During the life of the cooperative over two and a half million sales were made and thus many patrons benefitted from their services."^{16/}

Membership in the Grange during this period declined from a high of about 50,000 at the peak during the late seventies to around 20,000. "The new convert, the early enthusiast and the misinformed who expected the Grange to perform miracles and create prosperity drifted away from the Grange and their going was really good for the order."^{17/}

However the Grange during this period (nineties) represented agriculture legislatively and worked for the passage of laws desired by agriculture. Some of these were pure food laws, prevention of livestock diseases, teaching agriculture in rural schools, establishing an agricultural experiment station, systematic crop reporting, protection of the dairy industry, inspection of meats, rural mail delivery, teaching home economics, analysis of feeds and fertilizers and parcel post.^{18/}

^{13/} Diamond Jubilee History of Ohio State Grange, pp. 57-58.

^{14/} Ibid., p. 58.

^{15/} Ibid., pp. 36, 58.

^{16/} Centennial History Ohio State Grange, John F. Dowler, 1973, pp. 138-319.

^{17/} Diamond Jubilee History of Ohio State Grange, pp. 36.

^{18/} Ibid., pp. 66-67.

Mutual Fire, Wind and Lightning Insurance Associations

The first Mutual fire insurance organization that started in Ohio was the Cincinnati Equitable in 1826 and has continued to operate down through the years. The second mutual to start in Ohio was the Washington County Mutual at Marietta in 1834. The Columbiana County Mutual at New Lisbon started in 1837 and the Knox County Mutual, Mt. Vernon was fourth in 1838. Table 1. According to the early records ^{1/} the above four were organized before 1840 and were the first Cooperative organizations in Ohio to serve and protect people from fire, lightning and wind damage.

Four more were started in the eighteen forties, another eight in the eighteen fifties, and an additional three during the sixties. Table 1. The location of these 19 first organized Mutual Insurance Associations is shown in Figure 1. These early organizations were started at first to give protection against fire and were not assessment associations as they are known today, but rather organizations that followed the principle of collecting cash premiums in advance and giving their patrons a patronage refund at the end of a period (usually one year) if the loss was less than the premium collected.

All of these organizations had operated through the early years and were operating at the close of the year, December 31, 1899.

In 1899 the Ohio Farmers reported as a joint stock company and, therefore, must have changed from a mutual as reported in Third Annual Report (1870) of the Ohio Insurance Department.

From 1870 to 1900 a number of fire insurance firms were organized over Ohio.

By 1900 the Mutual Fire Associations operating in Ohio numbered 110 and the Mutual companies numbered 15. The location of the 125 organizations is shown in Figures 1 and 2. Start and Hancock Counties had the most associations per county and 30 counties had no associations.

The average volume of business per firm for the 110 associations amounted to \$1,328,097, but was \$5,928,634--for the 16 Mutual companies. One firm had over \$20,000,000 of insurance in force (Table 3) while there were 39 organizations under \$500,000--per firm and only eight firms had over \$5,000,000 per firm. The 110 associations total volume amounted to over \$235,000,000,000 of insurance for January 1, 1900 (Table 4).

Of the 110 Mutual Associations operating in 1900, there were 107 organized after 1870; thirty-four were organized during the three years, 1877, 1878, and 1879; there were twenty-nine organized from 1880 to 1890 and forty-four from 1890 to 1900.

The most active period of organization was the two years 1877 and 1878 when thirty-one of the associations were started and during the three years, 1897, 1898, and 1899 when twenty-three Mutual associations were started.

^{1/}The Third Annual Report issued by the Insurance Department, Auditor of States Office, Columbus, Ohio, March 25, 1870.

Table 1

Date of Organization of the Early Mutual Fire Insurance Organizations
in Ohio, their location and volume of business for 1870

<u>Number</u>	<u>Location</u>	<u>County</u>	<u>Date Organized</u>	<u>Risks in force December 31, 1869</u>
1. Cincinnati Equitable	Cincinnati	Hamilton	1826	\$6,512,150
2. Washington County Farmers Mutual	Marietta	Washington	1834	157,882
3. Columbiana County Farmers Mutual	New Lisbon	Columbiana	1837	5,449,794
4. Knox County Farmers Mutual	Mt. Vernon	Knox	1838	6,986,732
5. Montgomery County Farmers Mutual	Dayton	Montgomery	1844	875,260
6. Western Mutual Insurance Company	Urbana	Champaign	1846	399,429
7. Ohio Farmers	Westfield (Leroy P.O.)	Medina	1848	58,021,000
8. Minster Fire	Minster	Auglaize	1849	438,722
9. Richland County Mutual	Mansfield	Richland	1851	6,205,518
10. Ashland County Mutual	Ashland	Ashland	1851	1,582,000
11. Commercial Mutual	Cleveland	Cuyahoga	1851	5,422,524
12. Monroe County Mutual	Woodsfield	Monroe	1851	1,101,440
13. Clermont County Mutual	New Richmond	Clermont	1857	421,532
14. German Mutual	Cincinnati	Hamilton	1858	10,895,643
15. Farmers Mutual Fire Ins. Co.	Wadsworth	Medina	1859	9,269,267
16. Sonnenberg Fire & Lightning Ins. Co.	Orrville	Wayne	1859	A ¹ /
17. German Farmer Mutual	Warrensville	Cuyahoga	1860	171,010
18. Sun Mutual Insurance Company	Cincinnati	Hamilton	1862	1,475,850
19. Mennonite Mutual Aid Society	Bluffton	Allen	1866	A ² /

A¹/ Risks in force according to 1887 report were \$1,152,199 No report 1869 The 1887 report was the first giving any information although started in 1859.

A²/ Risks in force according to 1887 report were \$360,106 No report 1869 The first report giving any information although started in 1866.

Table 2

Ohio Mutual Fire Associations and Mutual Companies Which
Had Insurance in force December 31, 1899 in Ohio.^{1/}

Risks	Number of Mutual Fire Companies	Number of Mutual Companies	Total
Up to \$50,000	38	1	39
\$500,000 to \$1,000,000	24	2	26
1,000,000 to 5,000,000	45	7	52
5,000,000 to 10,000,000	3	2	5
10,000,000 to 20,000,000	--	2	2
Over 20,000,000	--	1	1
Total	110	15	125
Total Insurance In Force	\$146,090,704	\$88,929,514	\$235,020,218
Average	1,328,097	5,928,634	1,880,016

^{1/} Data obtained from Ohio Insurance Report for 1900 Auditor of State
Office, Columbus, Ohio.

Mutual Fire Insurance

The Ohio Grange was also responsible for organizing three mutual fire insurance associations during the late eighteen seventies;^{1/}

- (1) The Patrons Mutual Relief Association, Bellville, Ohio state-wide organized 1877,
- (2) Ohio Grangers Mutual Insurance Company, Jefferson, Ohio, state-wide organized 1878.
- (3) Sandy & Beaver Valley Farmers Mutual Insurance Company, Lisbon, Ohio, Columbiana County, state-wide, organized in 1877.

Other fire insurance companies were started later by the grange, but after 1900.

^{1/} Diamond Jubilee History Ohio State Grange, p. 62.
The above three were listed in organizations operating December 31, 1899.

Figure 1: Location of the First 19 Organized Mutual Fire Insurance Associations in Ohio.



Table 3

Ohio Mutual Fire Insurance Companies - "Ohio Insurance Report, Fire, 1900", pp.440-472.

Name	Location	Incorporated	Insurance in force December 31, 1899
1. Central Manufacturers Mutual Insurance Co.	Van Wert	1876	\$ 3,671,803
2. Cincinnati Equitable Mutual Fire Ins. Co.	Cincinnati	1826	9,771,088
3. Columbiana County Mutual Insurance Co.	Lisbon	1837	4,010,450
4. Commercial Mutual Insurance Co.	Sandusky	1846	198,625
5. German Mutual Fire Insurance Co.	Cincinnati	1858	21,899,694
6. German Farmers Mutual Fire Ins.Co.	Warrensville	1860	968,769
7. Knox County Mutual Insurance Co.	Mt.Vernon	1838	10,573,673
8. Lumberman's Mutual Insurance Co.	Mansfield	1895	1,329,413
9. Mansfield Mutual Fire Ins. Co.	Mansfield	1873	3,535,183
10. Merchants & Manufacturers' Mutual Ins.Co.	Mansfield	1876	1,484,190
11. Montgomery County Mutual Fire Ins.Co.	Dayton	1844	567,019
12. Ohio Millers Mutual Fire Insurance Co.	Canton	1886	4,068,675
13. Ohio Mutual Insurance Company	Salem	1876	4,926,308
14. Richland County Mutual Insurance Co.	Mansfield	1851	16,136,683
15. Sun Mutual Insurance Company	Cincinnati	1862	6,915,292
16. Western Mutual Insurance Company	Urbana	1846	2,896,146
		TOTAL	\$92,953,111
		Average	5,809,569

Table 4

Ohio Mutual Fire Insurance Association in Ohio as reported in the Insurance Report for December 31, 1899

Name	Location		Year Incorporated	Insurance in force December 31, 1899
	City	County		
1. Allen County Mutual Relief Association	Lima	Allen	1877	\$ 1,901,030
2. Allen County Patrons of Husbandry Relief Assn.	Herring	Allen	1895	141,305
3. Ashland County Patrons' Mutual Ins. Co.	Ashland	Ashland	1877	313,595
4. Atwater Farmers' Insurance Co.	Atwater	Portage	1898	305,000
5. Auglaize County Mutual Aid Assn.	Wapakoneta	Auglaize	1892	566,016
6. Belmont Insurance Company	Barnesville	Belmont	1897	373,920
7. Brady Township Fire Ins. Co.	W. Unity	Williams	1877	2,240,957
8. Butler & Goshen Township Mutual Aid Society	Damascus	Columbiana	1881	736,598
9. Camden Farmers' Mutual Fire Ins. Assn.	Camden	Lorain	1898	88,797
10. Central Mutual Fire Ins. Assn.	Hillsboro	Highland	1899	225,581
11. Citizen's Mutual Fire Assn.	Delaware	Delaware	1895	182,555
12. Clark County Farmers' Mutual Protection and Aid Assn.	Springfield	Clark	1877	951,432
13. Crawford County Farmers' Mutual Fire Ins.Co.	Bucyrus	Crawford	1877	6,409,822
14. Darke County Mutual Cyclone Ins. Co.	Greenville	Darke	1894	761,246
15. Delaware County Farmers' Mutual Fire Ins.Co.	Sunbury	Delaware	1877	2,129,099
16. East Union Mutual Fire & Lightning Ins. Assn.	Wooster	Wayne	1886	2,591,568
17. Eastern Ohio Mutual Fire & Tornado Ins.Co.	Londonderry	Guernsey	1895	462,570
18. Edinburg Farmers' Mutual Protective Assn.	Edinburg	Portage	1882	669,380
19. Erie County Farmers' Ins. Co.	Sandusky	Erie	1877	1,704,477
20. Farmers' Home Mutual Fire Ins. Co.	N.Knoxville	Auglaize	1880	688,695
21. Farmers' Mutual Insurance Company	Winchester	Adams	1898	55,825
22. Farmers' Mutual Aid Assn. of Van Wert Co., Ohio	Van Wert	Van Wert	1879	3,626,428
23. Farmers' Mutual Cyclone Insurance Co.	Wadsworth	Median	1898	339,660
24. Farmers' Mutual Fire Ins. Assn. of Jackson Township, Montgomery County, Ohio	Farmersville	Montgomery	1888	1,939,129
25. Farmers' Mutual Fire Insurance Assn.	Dayton	Montgomery	1877	5,462,770
26. Farmers' Mutual Fire Insurance Co.	Greenville	Darke	1877	1,723,072
27. Farmers' Mutual Fire Ins.Co., Miami Township, Ohio	Miamisburg	Montgomery	1877	303,288
28. Farmers' Mutual Fire & Lighting Ins. Co.	Greenfield	Highland	1897	1,138,613
29. Farmers' Mutual Fire & Lighting Ins. Assn. of Medina County, Ohio	Lodi	Medina	1884	3,523,078
30. Farmers' Mutual Fire Protection Assn. of Defiance County, Ohio	Farmer	Defiance	1885	1,646,580

Table 4 (continued)

31. Farmers' Mutual Fire Protection Assn.	New Berlin	Stark	1884	\$ 3,752,100
32. Farmers' Mutual Ins.Co. of Harrison Co.	Cadiz	Harrison	1898	705,800
33. Farmers' Mutual Home Insurance Co.	Medina	Medina	1887	381,236
34. Farmers' Mutual Protective Assn.	Findlay	Hancock	1895	693,668
35. Farmers' Mutual Relief Assn.	Fremont	Sandusky	1878	3,920,035
36. Farmers' Mutual Relief Assn.	Tiffin	Seneca	1878	6,222,372
37. Farmers' Mutual Relief Assn.	U.Sandusky	Wyandot	1877	2,285,520
38. Farmers' Mutual Union Fire Ins. Co.	Madison Mills	Fayette	1898	509,585
39. Feuer Versicherung Der Reformirten Kirche	Cleveland	Cuyahoga	1886	87,446
40. Fulton County Farmers' Mutual Ins. and Aid Assn.	Wauseon	Fulton	1877	1,748,513
41. German American Mutual Fire Ins. Co. Sutton and Chester Townships	Pomeroy	Meigs	1897	244,025
42. German Baptist Mutual Ins.Co. (Fire Business)	Covington	Miami	1897	4,885,835
43. German Baptist Mutual Ins. Co. (Cyclone Business)	Covington	Miami	1897	412,480
44. German Catholic Fire Ins. & Brotherhood Assn.	Avon	Lorain	1899	490,000
45. German Catholic Mutual Fire Assn.	Cleveland	Cuyahoga	1891	517,375
46. German Mutual Insurance Assn.	Glandorf	Putnam	1878	844,410
47. German Farmers' Mutual Insurance Assn.	Morton	Monroe	1879	751,745
48. German Farmers' Mutual Fire Ins. Co.	New Bremen	Auglaize	1877	20,553
49. German Farmers' Protective Assn.	Woodville	Sandusky	1885	2,253,150
50. Goshen Farmers' Insurance Assn.	Mechanicsbg.	Champaign	1895	660,750
51. Greene County Mutual Insurance Assn.	Cedarville	Greene	1897	142,570
52. Henry County Farmers' Mutual Ins. Assn.	Napoleon	Henry	1897	1,899,718
53. Home Ins. Co. of Nimishillen & Osnaburg Townships, Start Co., Ohio	Belfort	Stark	1897	1,377,860
54. Huron Co. Farmers' Mutual Ins. Co.	N.Fairfield	Huron	1878	2,342,294
55. Insurance Company of Randolph	Randolph	Portage	1880	534,534
56. Lake Township Mutual Ins. Co.	Lake	Stark	1878	2,546,120
57. Lexington Township Aid Assn.	Alliance	Stark	1881	2,304
58. Lime City Farmers' Mutual Fire Ins. Assn.	Lime City	Wood	1881	1,157,400
59. Lordstown Farmers' Mutual Ins. Co.	Lordstown	Trumbull	1878	2,329,385
60. Lucas County Farmers' Ins. & Aid Assn.	Waterville	Lucas	1891	1,792,830
61. Madison Mutual Ins. Co.	Arlington	Hancock	1898	116,365
62. Marion Mutual Fire Assn.	St.Rosa	Mercer	1881	1,281,091
63. Marlboro Farmers' Ins. Company	Marlboro	Stark	1880	703,280
64. Mennonite Aid Plan	W. Liberty	Logan	1899	391,987
65. Mennonite Mutual Aid Society	Bluffton	Allen	1866	744,846

Table 4 (continued)

66. Miami Farmers' Mutual Fire Assn.	Troy	Miami	1877	\$3,920,000
67. Minster Fire Insurance Assn.	Minster	Auglaize	1849	1,623,659
68. Mutual Fire Ins. Co. of Eagle Township	Eagle Twp.	Hancock	1898	148,460
69. Mutual Fire & Storn Ins.Co. of Jackson	Mt.Blanchard	Hancock	1898	241,448
70. Mutual Fire Ins.Co. of the Patrons of Husbandry	Orange	Hancock	1882	238,810
71. Mutual Fire Ins.Co. of Van Buren Twp., Hancock County, Ohio	Jenera	Hancock	1896	163,883
72. Morrow County Farmers' Mutual Ins. Co.	Cardington	Morrow	1897	949,320
73. Northwestern Mutual Ins. Assn.	Pioneer	Williams	1895	99,195
74. Norton Mutual Fire Assn.	Norton Ctr.	Summit	1878	3,350,907
75. Ohio Druggists' Mutual Fire Assn.	Toledo	Lucas	1894	22,650
76. Ohio Grangers' Mutual Ins. Co.	Jefferson	Ashtabula	1878	2,650,579
77. Palmer Township Mutual Fire Ins. Assn.	North Creek	Putnam	1889	233,910
78. Paris & Washington Twp. Mutual Home. Ins.Co.	Paris	Stark	1881	1,144,525
79. Patrons' Buckeye Mutual Ins. Co.	Adamsville	Muskingum	1896	1,153,219
80. Patrons' Mutual Fire Assn. of Logan Co.	Bellefontaine	Logan	1878	142,586
81. Patrons' Mutual Relief Assn. (Grange)	Bellville	Richland	1877	3,479,367
82. Peoples' Industrial Fire Assn.	Cincinnati	Hamilton	1891	53,775
83. Perry County Mutual Fire Ins. Co.	N.Lexington	Perry	1877	961,720
84. Pike Township Farmers' Mutual Fire Ins.Co.	N.Industry	Stark	1878	2,809,508
85. Pittsfield Mutual Fire Ins. Assn.	Pittsfield	Lorain	1878	252,390
86. Putnam County German Farmers' Mutual Fire Ins. Co.	Ottawa	Putnam	1895	184,290
87. Putnam Mutual Ins. Co.	Ottawa	Putnam	1896	134,482
88. Retail Druggists' Insurance Assn.	Cincinnati	Hamilton	1890	613,325
89. Richland Mutual Fire Ins. Co.	Richland Twp.	Marion	1878	1,255,562
90. Richland Twp.Farmers' Mutual Ins. Assn.	Bluffton	Allen	1886	265,849
91. Richmond Farmers' Mutual Fire Ins. Co.	Richmond	Jefferson	1894	443,818
92. Rootstown Protective Association	Rootstown	Portage	1882	1,448,855
93. Sandy & Beaver Valley Farmers' Mutual Fire Ins. Co. (Grange)	Mt. Nebo (Lisbon)	Columbiana	1877	773,189
94. Shelby County Farmers' Mutual Ins. Assn.	Anna	Shelby	1889	2,036,575
95. Smith Township Aid Society	Beloit	Mahoning	1878	242,807
96. Sonnenberg Fire & Lightning Ins. Assn.	Orrville	Wayne	1859	3,141,418
97. Springfield Twp. Mutual Fire Ins. Assn.	N.Spgfld.	Mahoning	1892	2,925,000
98. Stark County Patrons' Mutual Fire Ins. Co.	Canton	Stark	1877	1,886,402
99. Switzer Mutual Fire Ins. Co.	Switzer	Monroe	1884	177,060

Table 4 (continued)

100. Township Line Mutual Protective Assn.	Cannon's Mills	Columbiana	1878	\$1,456,402
101. Trumbull County Patrons' Mutual Ins. Co.	Warren	Trumbull	1878	646,157
102. The Union Mutual Insurance Co.	Mt. Corey	Hancock	1898	139,705
103. Union Insurance Company	Wadsworth	Medina	1882	1,782,436
104. University Gegenseitigen Ferrer Versicherung Unterstuetzung Vercin	Cleveland	Cuyhoga	1878	890,330
105. Washington County Farmers' Mutual Ins. Assn.	Marietta	Washington	1897	1,641,485
106. Washington Twp. Mutual Fire & Lighting Insurance Assn.	Plimpton	Holmes	1878	3,039,131
107. Watutown Farmers' Mutual Ins. Co.	Watutown	Washington	1897	524,704
108. West and Knox Twp. Farmers' Aid Society	Georgetown	Columbiana	1878	800,274
109. Western Butler County Mutual Fire Assn.	Reiley	Butler	1896	762,227
110. Wood County Farmers' Mutual Fire Assn.	Scotch Ridge	Wood	1894	2,864,025
(110 organizations)			TOTAL	\$146,666,887
			AVERAGE FOR 110	1,333,335

Ohio Wool Growers

In 1863 the Ohio Sheep and Wool Growers formed an Association,^{1/} whose main purpose was to assist Ohio Sheep men with their problems at that time. The tariff question also was of major interest and continued for years.

In 1874, according to Frank Dean^{2/}, "a quality of wool was assembled in central Ohio and shipped East" and sold. The Ohio State Grange was principally responsible for this action. In 1876^{3/} "The arrangements for the sale of wool was the best that could be made under the circumstances. An agent was employed at one-half cent per pound to go to Philadelphia and receive all wool consigned by patrons in Ohio. The result was a saving of from five to seven cents per pound over wool sold to local agents." It was recommended by the business agent, W.H. Hill, that a wool house be established in some central location, where wool consigned by patrons could be received, graded and sold direct to manufacturers, but no action was taken on this recommendation.

The history is not clear on what happened but apparently local dealers narrowed their margins, interest in wool marketing declined, and no action was taken by the Grange on the suggestions of W.H. Hill. No more interest was shown in marketing wool cooperatively until 1918.

During World War I, the War Industries Board was formed by Congress and the 1918 wool crop of the country was taken over by the United States Government. A group of Ohio wool men were convinced that wool growers would not receive the prices they should receive because of the attitude of country wool buyers.

In an editorial in the Ohio Farmer of May 11, 1918, attention was directed to the fact that the War Industries Board had established prices on wools in the U.S. On the same day (May 11, 1918), R.L. Mince of the Tri-State Wool Growers Association called Professor C.S. Plumb of Ohio State University and advised him that the War Industries Board had not yet at that date determined the price on eastern fleece wools, and suggested that it perhaps was not too late for wool growers to secure a hearing on fleece wool. An immediate conference of Ohio, West Virginia, and Pennsylvania Wool Growers was suggested and with the aid of the telephone about 40 men, from the above three states, met at Wheeling, West Virginia, on May 13, 1918. At that conference a committee of three, J.F. Walker, Gambier, Ohio; Howard Gene,

^{1/}Erdman, Organization Among Ohio Farmers, Ohio Agr. Expt. Stn. Bulletin No. 342, p. 136.

^{2/}Frank Dean, The Farm Bureau in Ohio, p. 44.

^{3/}Diamond Jubilee History, Ohio State Grange, p. 56.

Clarksburg, West Virginia; and R.L. Munce, Cannonsburg, Pennsylvania, were selected to go to Washington, D.C. and present the wool growers' point of view to the War Industries Board.

It was also agreed to call a meeting at Columbus, Ohio State University Judging pavilion on May 25 at 10:00 a.m. The following report of the May 25, 1918 meeting appeared in the Ohio Farmer:

"In their own interest we urge all wool growers to join at once the organization that was rejuvenated at Columbus May 25. The Ohio Sheep and Wool Growers Association was an old organization when it became inactive some years ago and it had done a lot of good work in its time. It started as a war-time organization (Civil War) and it is fitting that it should be brought to life again under war conditions. Wool Growers are not satisfied with the policy pursued by the wool division of the War Industries Board in setting standards for the wool market without consulting the producer."

"It would seem the wise thing is to get together in large numbers and have an organization that will make itself felt when the interests of its members at stake. Join the organization. Get your neighbors together and send memberships to the Secretary-Treasurer J.F. Walker, Gambier, Ohio. There is no time to lose. The membership is only one dollar. There should be at least a thousand members in Ohio."

At the meeting of the wool producers on May 25, 1918,^{4/} the following officers were selected: President, S.M. Cleaver, Delaware, Ohio; Vice-President, C.S. Plumb, Ohio State University; Secretary-Treasurer, J.F. Walker, Gambier, Ohio. The Executive Committee selected were: George M. Wilber, Marysville; L.B. Palmer, Pataskala; J.M. Wilson, Fredericktown; W.B. Crosky, Cadiz; M.M. Moon, Belle Center; William Hedges, Cadiz; and Ben Walson, Delaware.^{5/}

J.F. Walker was hired to devote full time to organize the wool growers on a membership basis of \$1.00 per year at a salary to be determined after the work was completed.^{6/}

A committee of William Hedges, W.B. Crosky and J.F. Walker was appointed to go to Wheeling, West Virginia to arrange for the handling of the wools. This committee secured the services of Horkheimer Brothers who assumed all charges in connection with the handling of the wools on the basis provided for by the government, and a charge of one-half percent was deducted to cover the Association's expense.^{7/}

^{4/} Frank C. Dean, The Farm Bureau in Ohio, p.44, published by the Publicity Department of the Ohio Farm Bureau Federation, November 1, 1924.

^{5/} Ibid.

^{6/} Ibid.

^{7/} Ibid.

The hastily improvised association assembled 275,000 pounds of wool during the 1918 season which netted the grower 72 1/2 cents per pound as against 60 to 65 cents local buyers had been paying prior to the organization of the association. This represented merely the difference in the costs of the two methods of handling wools.

Space was rented in a warehouse at the northeast corner of Michigan and Buttles Avenue in Columbus to accommodate the growers in this area and the warehouse at Wheeling was retained for eastern Ohio wool. Around 2,000,000 pounds of wool was marketed in 1919 and netted the growers 67 1/2 cents which was 17 cents above the local markets.

In 1920 the organization served about 5,000 consignors and handled about 2,250,000 pounds of wool. By this time the Board recognized the need for permanent storage and proceeded to purchase a four acre tract at 3050 S. High Street, Columbus for the price of \$125,000. The operations were transferred to the new location April 1, 1921 and the highest volume on record was handled this year which amounted to approximately seven million pounds, one and one-half million of this total coming from Indiana growers through the Indiana Farm Bureau. This made the Ohio Association the largest wool marketing cooperative in the United States. Another good margin of 6.6 cents a pound gain was made for the 1921 consignors and speculative dealers became alarmed by the inroads made in their area. A concerted effort and considerable money was spent by the opposition to discredit the new organization. However, the Co-op was able to withstand all opposition and it continued its operations at 3050 S. High Street location for the next forty years. In 1945 it was re-organized and the name was changed to Ohio Wool Growers Cooperative Association.

The Association continued through the years to be a major factor in the marketing of wool in the midwest averaging about two and one-half million pounds yearly from approximately 7,500 members. A major step was taken by the Directors in 1956 when they voted to join with other wool cooperatives by working through the National Wool Marketing Corporation. It was felt that a united effort would result in not only better prices for wool but would give the Association many other intangible advantages which could not be had while working alone as an individual cooperative. The Ohio Wool Growers Association was very active in working with the National Wool Growers Association in helping to form the National Wool Marketing Corporation when it was first organized. In fact, L.B. Palmer, President of Ohio Wool Growers was the first President of the National Wool Marketing Corporation. Due to some misunderstandings the Ohio Association soon pulled out of the National and operated independently until the action of the Board in 1956.

In order to keep up with new methods of handling the Board of Directors decided in 1958 to purchase land for a new location and build an efficient warehouse. Extensive plans were studied before actually building the most modern wool warehouse in the United States with over 60,000 square feet of space. A plot of land was purchased from the Farm Bureau Cooperative Association on the south-east edge of Columbus at Grovers and Courtright Roads. The 1959 spring clip was the first handled in the new facilities. Since this date, the Association has stored not only its own wool, but furnished storage for wool from several other wool co-ops in the National Wool Marketing Corporation.

Swiss Cheese Cooperative Groups

Frank Dean,^{1/} in 1924, wrote that small groups of milk producers, as early as the eighteen thirties in North Eastern Ohio, mingled their milk and produced swiss cheese and sold the product through small cooperative cheese factories. Later these plants were somewhat enlarged and Ohio became noted as the state of cooperative cheese factories.

The first cheese makers, the Islays, arrived in Ohio from Switzerland in 1833.^{2/} Within a few years Dairy Farmers in Holmes, Wayne, and surrounding counties were making Swiss Cheese. In order to make a "wheel" of swiss cheese it was necessary to have about 2,750 pounds of milk.^{3/} This was achieved by the farmers in a community bringing their milk together night and morning at a place selected or determined by the cheese maker. They were not paid for the milk until after the cheese was sold. The cheese makers did not have the capital to purchase the necessary season's milk supply and hold it for aging, so capital was provided in this way. At the end of the summer many of these community cheese factories would put the "wheels" of cheese on wagons and haul them to the nearby railroad for shipment to Pittsburgh.^{4/} These were unincorporated groups that obtained the results of cooperative group action.

There was no information on the number of such non-incorporated groups operating in the counties of Wayne, Holmes, Coshocton, Tuscarawas, Carroll and other adjoining counties during this early period, but it must have been 50 or more. They continued to operate through the years.

Early Cooperative Dairy Organizations in Ohio

In the late 1880's dairy organizations were started by the dairy farmers in New York, New Jersey and other states because they were not satisfied with their milk markets.^{5/} About the same time the Milk Producers Union, composed of farmers supplying the Cleveland market was organized in 1887 to improve the milk market, but declined in importance by 1894. About 1897 the Northern Ohio Milk Producers Association in the Cleveland area was organized to fight for better prices for the producers of milk.^{6/} This organization continued for years and was reorganized and incorporated in April, 1919, under the name of the Ohio Farmers Cooperative Milk Company.^{7/}

^{1/} Frank Dean-Publicity Department, Ohio Farm Bureau Federation, The Farm Bureau in Ohio, November 1, 1924, p. 21. (Frank Dean was also Extension Editor.)

^{2/} A private interview in 1965 with Mrs. Ernest Stadler, President of the Ohio Swiss Cheese Association by John Whitney-Research Assistant, Dept. of Agricultural Economics, Ohio State University.

^{3/} Ibid.

^{4/} Ibid.

^{5/} Erdman, H.E., Marketing Whole Milk, the Macmillan Company, New York, pp. 138-145.

^{6/} Ibid., p. 150.

^{7/} Ibid., p. 150.

Cooperative Dairy Marketing in Ohio

Before the coming of the cream separator, butter making in the rural areas was primarily a home industry. Butter was churned by hand at home. The amount exceeding home needs was taken to the small country towns and sold to the grocery stores or traded to the grocer for food, which was taken home for the farm family.

With the development of the hand-operated cream separators in the late eighteen-eighties, the churning of butter was gradually taken over by the factory operated creameries. To get the cream for the creameries local cream stations were established and this business developed all over Ohio although many farm families continued to churn their own butter even though they sold the extra cream through the local cream station.^{1/} The cream stations forwarded the cream to the larger creameries for churning the butter.

According to Frank Dean^{2/} around 1900 there were 342 cooperative creameries operating in Ohio. Most of them were handling a small volume. There were many privately-owned creameries operating and the large creameries soon proved to be more efficient, (there were no trucks at that time) in transporting the cream from the cream stations to the larger creameries in distant cities. There is very little information on the cooperative creameries and cream stations during the late eighteen-nineties and the turn of the century, but the local cream stations continued to assemble the cream sold by the dairy farmers for the large creameries to churn into butter.

McBride and Cowden^{3/} made a study of the cream stations operating in Ohio for the year 1930 and reported there were 1502 cream stations operating in 82 counties at that time. Darke County had 61, Brown 46; Highland 45; Hardin 42; Wyandot 40; Seneca 37; Putnam 36; Logan 35; Morrow 31; and Preble 31. These 10 top counties had a total of 404 stations.

Figure 4 shows there were 68 cooperative cream stations operating during the early months of 1924^{4/} and marketed annually at that time 4,500,000 pounds of butter fat. Dean indicated the savings were annually \$225,000 or approximately \$3300 per station.

As trucking of agricultural commodities developed in the late twenties and early thirties, the trucking of milk by dairy farmers soon eliminated the cream stations and they became part of our past agricultural history.

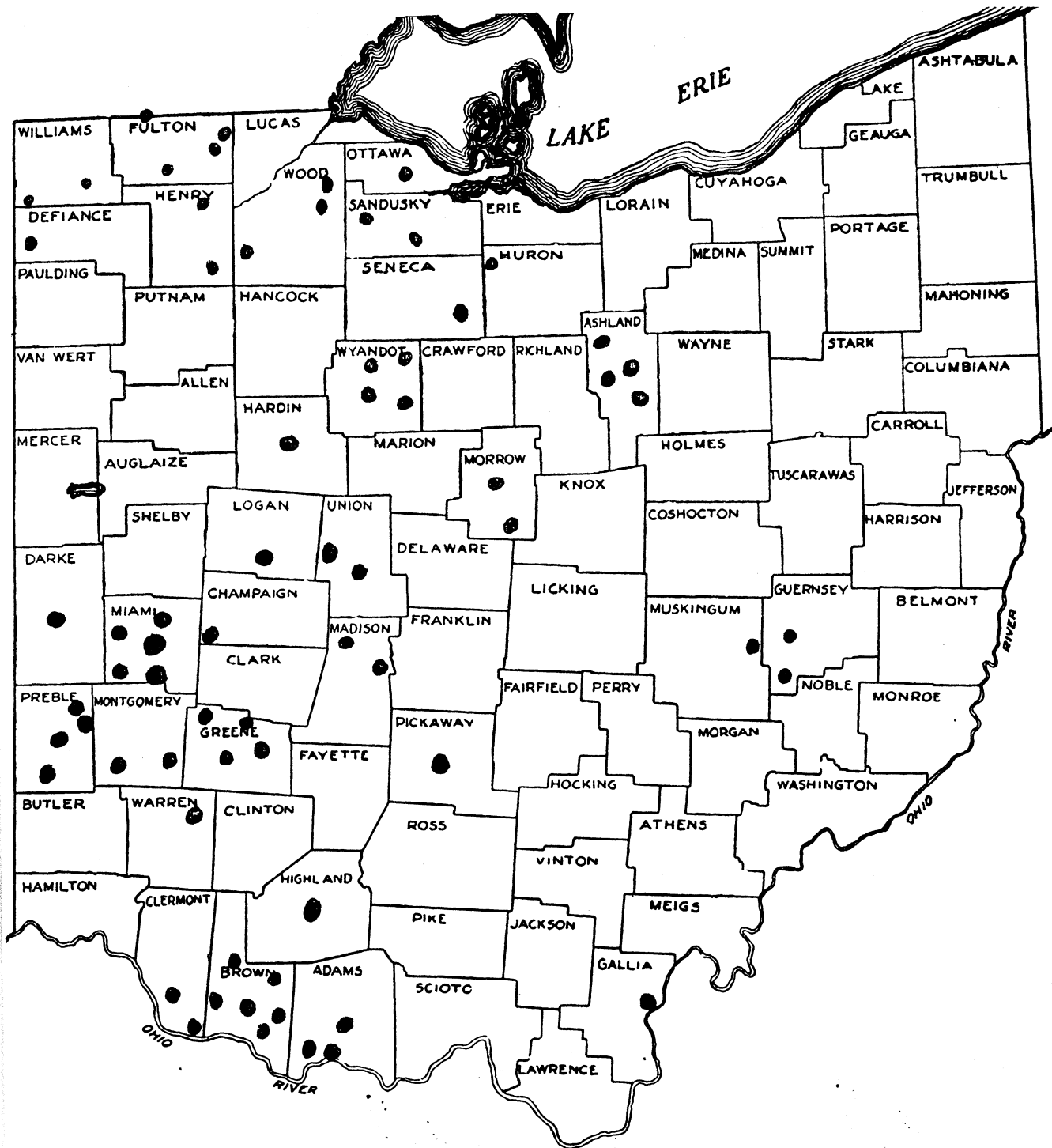
^{1/}The author as a young boy had the job of churning butter for the family. This job was assigned to him by his mother. The development of the rotating barrell type churn was more desirable and soon replaced the vertical (up and down) type of churn used originally.

^{2/}Frank C. Dean - The Farm Bureau in Ohio, published by the Ohio Farm Bureau Federation, November 1, 1924, pp. 25-26.

^{3/}C.G. McBride and T.K. Cowden - Sources of Market Milk and Butterfat in Ohio, Ohio Experiment Station Bulletin 523, pp. 20-21.

^{4/}Frank C. Dean, Ibid., p. 25.

Figure 4: Location of 68 Cooperative Cream Stations in Ohio About 1924



Ohio Farmers Cooperative Milk Association
Cleveland

The Northern Ohio Milk Producers Association was organized in 1897. This organization was reorganized and incorporated as the Ohio Farmers Cooperative Milk Company in 1919. "It was in the milk business that collective bargaining on the part of the farmers had taken a form that most nearly comparable with its form in the industrial field."^{1/} The Ohio Farmers Cooperative Milk Company attempted to negotiate a contract to supply milk with each milk company. The Telling Belle Vernon Company, a relatively large organization at that time, held out for concessions not granted to its competitors such as one cent a gallon price differential and other purchasing advantages.

When the cooperative tried to refuse these concessions to the Telling Belle Vernon Company the Cooperative Directors were imprisoned on August 8, 1919 for conspiring for restraint of trade under the Ohio Valentine Act. The following is a quotation from a letter sent to the members, August 20, 1919 by the management:

"Your organization has been attacked by the prosecutor of Cuyahoga County, who has seen fit to cause indictments to be found against your Executive Committee and Secretary. The indictment charges us with being engaged in a conspiracy against trade in violation of the Valentine Anti-trust Law of Ohio. In fact, the prosecution of a direct attack upon all forms of collective bargaining by agriculturists. Therefore, the fight precipitated by the prosecutor is your fight and every member of our company is personally interested in this fight.

Your officers were put in jail for a part of the night of Friday, August 8th, and released in the morning about half past eleven, after giving bond in the sum of \$2,000 each. We will not attempt to describe to you the humiliation to the members of your Executive Committee and their families at the treatment accorded them by the Sheriff and Prosecutor of Cuyahoga County.

This incident should stir the blood of every member of our company to action. We think it is of the utmost importance that every producer sending milk to Cleveland should now join our company and present a united front. May we ask you each to see that everyone of your neighbors who is not already a member of this company becomes a member at once. If you need contracts ask for them. Do not put this matter off until next week or some future date, but attend to it immediately upon receipt of this letter and advise the home office of your action."

^{1/} Erdman, H.E., Marketing Whole Milk, the Macmillan Company, New York, 1921.

A second letter dated September 29, 1919 follows:

"We are pleased to announce to our stockholders the outcome of the criminal proceedings in Cuyahoga County, resulting in the acquittal of all of your Executive Committee. This proceeding has been pending since about the 8th of August, and we have received congratulations from Ocean to Ocean over the outcome of this trial, resulting in our and your acquittal.

It has been universally accepted that our indictment was a blow at every producer associated in collective bargaining and therefore the indictment was one against you as well as your Executive Committee.

The expense of this trial and the clearing up of the suit to take our charter away from us will amount to in the neighborhood of \$7,000.00 and the Board of Directors have authorized us to ask each member to contribute Five or Ten Dollars as each may find it convenient to assist in taking care of this debt, which should be met AT ONCE. We therefore ask that you give this matter your earliest possible attention, and in the event that you are called together in a local meeting, send your contribution individually direct to this office. We are anxious to have the name of every producer who contributes to this fund, and we urge you to see that your name is put down for the amount you contribute in the event you contribute collectively with your local fellow producers."

Also, a letter dated November 18, 1919:^{2/}

"We are pleased to announce to our stockholders that the injunction against our activities has been lifted, and that a large number of our stockholders have responded so promptly in contributing to the expense of our criminal trial.

We are pleased to announce that The Telling Belle-Vernon Co., at our request, within three days after the lifting of the injunction, raised their offer to producers from 36 1/2 cents per gallon, to 38 cents per gallon."

^{2/} The above letters were quoted from original copies in the possession of Miley E. Whitney, Ravenna, Ohio who gave them to the author for this publication.

The Dairymens Cooperative Sales Company
Northeastern Ohio

According to H.E. Erdman ^{1/} the Milk Producers Association of Western Pennsylvania and Eastern Ohio was marketing milk for the farmers in 1903. The organization was started to sell milk to the milk dealers in Pittsburgh.

In 1906, a group of farmers in the area of Austinburg, Ashtabula County, formed a small voluntary organization called the Ohio Milk Producers Association. They had a small membership fee but the producer was not bound by a contract. They attempted to bargain with the milk dealers in Pittsburgh but were unsuccessful and the association vanished.^{2/}

The organization was revived in 1915 and in 1917 engaged in a milk strike which ended in a victory for the dairymen. In 1918 the Ohio organization united with an association south of Pittsburgh called the Tri-State Dairymens Association and was incorporated as the Dairymens Cooperative Sales Company with headquarters at Youngstown, Ohio.

Cooperative Pure Milk Association
Cincinnati ^{3/}

In 1906, about 600 producers of the Cincinnati market milk area formed the Tri-State Milk Company. It failed. A second try was made by the Hamilton County Milk Producers Association Organization in 1910. It soon failed.

In 1915 another effort was made and the Queen City Milk Producers Association was incorporated. In September 1921, it was reorganized with 2,350 members as the Tri-State Cooperative Milk Marketing Association. In Cincinnati there was the Tri-State Butler Company and due to the threat of litigation, the name was changed to the Cooperative Pure Milk Association. January 1, 1923 distributing operations were started in Covington, Kentucky, then the French Brothers Bauer organization was purchased January 1, 1924 and it was operated as a subsidiary of the Cooperative Pure Milk Association.

^{1/} Erdman, H.E., Marketing Whole Milk, The Macmillan Company, New York, 1921, p. 151.

^{2/} Dean, Frank C., The Farm Bureau in Ohio, (Ohio Farm Bureau Federation, Columbus, Ohio), p. 28.

^{3/} C.G. McBride, State and Federal Milk Marketing Orders in Cincinnati and Toledo, 1948. Ohio Agricultural Experiment Station Research Bulletin 678, pp.5-6.

Scioto Valley Milk Producers Association

In 1916, the Central Ohio Milk Producers Association was organized. This association bought a distribution plant in East Columbus, but poor management and insufficient finances were responsible for disposing of the plant in 1921.^{1/} The association soon ceased operations.

In 1918 a group of producers formed the Home Producers Milk Company in order to go into retail milk distribution. After a few years the plant was turned over and operated by a private corporation.^{2/}

Early in 1923 the Scioto Valley Milk Producers Association was organized and soon became the strong cooperative for the Milk Producers of Central Ohio. This organization in the nineteen twenties operated cream stations at Rosedale and West Jefferson in Madison County, Bellefontaine in Logan County, Marysville and Raymond in Union County and Circleville in Pickaway County. The Central Association bargained for the sale of cream.

The Association grew rapidly and became the dominant Dairy Cooperative Organization in the Columbus market. In 1933 the Columbus Milk Producers Association was organized as a bargaining association. It operated until 1939 then consolidated its membership with the Scioto Valley Milk Producers and formed the Central Ohio Cooperative Milk Producers Inc. This is the dairy organization now serving the Milk Producers of Central Ohio (1967).

Akron -- Canton

The Milk Producers Association of Summit County was organized in Akron in January, 1917.^{3/} By 1921, there were 742 members, by 1926, there were 2,076 members and 1930, 3,125 members.

The Stark County Milk Producers Association was a voluntary unincorporated association that was operating previous to 1924.^{4/}

The Tuscarawas Valley Cooperative Dairy Sales Association was an incorporated association formed in 1924. This organization was started to serve milk producers operating in the Canal Dover, New Philadelphia and Urichsville markets.

^{1/}William T. Richie, History and Development of Agricultural Cooperatives in Ohio, Ph.D. Dissertation, 1958, p. 76.

^{2/}Frank C. Dean, The Farm Bureau in Ohio, p. 41.

^{3/}R.W. Sherman, A Study of Cooperative Milk Marketing Associations in Four Ohio Markets, Ohio Agricultural Experiment Station Bulletin 574, p. 13.

^{4/}Frank C. Dean, The Farm Bureau in Ohio, p. 37.

Northwestern Cooperative Sales Association
Toledo

During the Winter of 1918-1919, the Milk Producers in the area of Wauseon, Fulton County, started signing membership in the Northwestern Cooperative Sales Company, which was organized in the fall of 1919.^{1/} The urge for organization apparently came from dissatisfaction with prices, weights and butter fat tests of milk delivered. It was decided to be effective the organization must include the entire Toledo Milk Shed. At that time about 65 per cent of the Toledo fluid milk supply was coming from nearby Michigan Milk Producers. The Cooperative was, therefore, interstate in character. At first the office was located in Wauseon, later in Toledo, but in June 1932 the charter was amended under the Ohio Cooperative Law and became a non-stock organization, The Northwestern Cooperative Sales Association.^{2/}

In 1924, the association owned 17 cream stations in 10 counties at which farm separated cream was weighed, tested, and resold to processors.

Dayton -- Springfield ^{3/}

In 1912 or 1913, a small group of dairy farmers in the Miami valley area organized to market their dairy products cooperatively, but the group could not withstand the opposition of the organized dealers. After a few years, the organization passed out of existence.

About 1919, A.F. Hedges, who was County Agricultural Agent at that time, started promoting the idea of a cooperative milk marketing association for the dairy farmers. The Ohio Farm Bureau gave support to the idea, and encouraged their members to join. By late summer of 1921, enough dairy farmers had enrolled as members to enable the leaders to file for incorporation. In July 1922 the Miami Valley Milk Producers Association was incorporated.

^{1/}Frank C. Dean, The Farm Bureau in Ohio, Ohio Farm Bureau Federation, Columbus, Ohio, p. 32.

^{2/}C.G. McBride, State and Federal Marketing Orders in Cincinnati and Toledo, 1948. Ohio Agricultural Experiment Station Research Bulletin 678, pp. 7-8.

^{3/}Information furnished from a pamphlet of the Miami Valley Cooperative Milk Producers Association, entitled, "Let's Look at Ourselves After Twenty-Five Years," 1946.

North Central Ohio Cooperative Dairy Sales Association

The North Central Cooperative Dairy Sales Association was incorporated in 1921. A successful cooperative cream station at Carey in Wyandot County was the basic reason for other cooperative cream stations to be organized. By 1924 there were 13 cream stations operating in Wyandot, Ashland, Hardin and Morrow County. Some milk had been marketed in the cities located in the area. ^{4/}

Gallia County Cooperative Dairy Sales Association

In 1921, the Gallia Cooperative Dairy Sales Association was started by the Farm Bureau. Its main purpose was to help the cream producers find a satisfactory cream market of that area. ^{5/}

The Farmers Equity Union Creamery

The dairymen in the Lima area along with the help and assistance of the Farmer Equity Union and the Farm Bureau organized the Farmers Equity Union Creamery Company and it opened for business at Lima in September of 1923. This organization was started to give the farmers a better market for their cream. Branch plants were organized later at Fort Recovery, Mercer County, Bellefontaine in Logan County and Sardina in Brown County. ^{6/}

Muskingum Valley Cooperative Sales Association

During the latter part of 1922, a group of dairy farmers in eastern central Ohio centering around Zanesville organized and incorporated the Muskingum Valley Cooperative Dairy Sales Association. There were about 350 members that started marketing their cream at stations, located in New Concord, Muskingum County, Cumberland and Cambridge in Guernsey County. ^{7/}

^{4/} Frank C. Dean, The Farm Bureau in Ohio, Ohio Farm Bureau Federation, Columbus, Ohio, p. 36.

^{5/} Frank D. Dean, The Farm Bureau in Ohio, Ohio Farm Bureau Federation, Columbus, Ohio, p. 39.

^{6/} Frank C. Dean, The Farm Bureau in Ohio, Ohio Farm Bureau Federation, Columbus, Ohio, p. 41.

^{7/} Frank C. Dean, Ibid., p. 40.



District 1. Scioto Valley Cooperative Milk Producers Assn; 2. Ohio Farmers Cooperative Milk Association; 3. Dairymen's Cooperative Sales Company; 4. Milk Producers' Association of Summit County and Vicinity; The Stark County Milk Producers Association, and The Tuscarawas Valley Cooperative Dairy Sales Association; 5. Northwestern Cooperative Sales Company; 6. Miami Valley Cooperative Milk Producers Association; 7. Cooperative Pure Milk Association; 8. North Central Ohio Cooperative Dairy Sales Association; 9. Gallia County Cooperative Dairy Sales Association; 10. Farmers' Equity Union Creamery Company; 11. Muskingum Valley Cooperative Dairy Sales Association; 12. Southwestern Ohio Cooperative Sales Association.

Southwestern Ohio Cooperative Sales Association

Cream producers from Southwestern Ohio in the latter part of 1921 and the early part of 1922 were dissatisfied with the prices offered for cream in Brown, Clermont, Adams and Highland Counties.

It was at this time that the Tri-State Cooperative Milk Marketing Association in Cincinnati was reorganized and the cream producers from Brown, Clermont, Adams and Highland counties organized the Southwestern Ohio Cooperative Sales Association, to obtain a better market for the farmers who were marketing cream. Cream stations were started and by the year 1924 there were stations located at Georgetown, Mount Orab, Sardina, Hamersville, Russellville and Decatur, in Brown County, Laurel in Clermont County, West Union, Bentonville and Manchester in Adams County and Hillsboro in Highland County.

The membership was about 1,500 farmers organized on the basis of location, having representation in the Southwestern Ohio Cooperative Sales Association. The cream was sold to the Cooperative Pure Milk Association in Cincinnati on a yearly contract.

During 1923 the twelve stations handled 675,000 pounds of cream for which they received from five to eight cents more for their cream than the private cream stations operating in the area. ^{8/}

Ohio Legislation

The passage of the Ohio Griswold and Brand Laws in 1919 and 1921 and the Cooperative Marketing Act of 1923 cleared the legal difficulties for Collective Marketing and bargaining of cooperatives in Ohio. From 1915 to 1924, farmers of Ohio organized 21 milk bargaining associations. ^{9/}

In June 1933, the Ohio Legislature passed the Burk Act. This Act emphasized the need for safe guarding the consuming public and the dairy industry itself against the evils of unfair, unjust, destructive, and demoralizing trade practices which constitute a menace to the health and welfare of the state. These acts cleared the way for cooperative bargaining and marketing of agricultural products in Ohio.

Dean in 1924 pointed out there were twelve principal districts in which cooperative dairy marketing had developed in Ohio. See Figure 5.

^{8/} Frank C. Dean, Ibid., p. 38.

^{9/} Welden and Stitts, Milk Cooperatives in Four Ohio Markets (Washington, D.C.: Farm Credit Administration Bulletin 16, 1937), Table 1, p. 9.

Table 5

Cooperative Milk Marketing Associations, Operating
In Ohio As Of January 1, 1936, But Were Formed Before
July 1, 1933

1. The Stark County Milk Producers Assn.	Office- Canton, Ohio
2. Milk Producers Assn. of Summit County and Vicinity	Office - Akron, Ohio
3. The Dairymen's Cooperative Sales Assn.	Office - Cleveland & Youngstown
4. The Scioto Valley Cooperative Milk Producers Assn.	Office - Columbus, Ohio
5. The Northwestern Cooperative Sales Co.	Office - Toledo, Ohio
6. The Miami Valley Cooperative Milk Producers Assn.	Office - Dayton, Ohio
7. Farmers Equity Union Creamery Co.	Office - Lima, Ohio
8. North Central Ohio Cooperative Dairy Sales Assn.	Office - Bucyrus, Ohio
9. The Ohio Farmers Cooperative Milk Assn.	Office - Cleveland, Ohio
10. The Wooster Farm Dairies Company	Office - Wooster, Ohio
11. The Cooperative Pure Milk Assn.	Office - Cincinnati, Ohio
12. Fayette County Marketing Assn.	Office - Washington C.H., Ohio
13. The Scioto County Cooperative Milk Producers Assn.	Office - Portsmouth, Ohio
14. The Kentucky, Indiana and Ohio Milk Producers Assn.	Office - Cincinnati, Ohio
15. The Northern Ohio Milk Assn.	Office - Cleveland, Ohio
16. The Independent Milk Producers Assn. Akron Area	Office - Akron, Ohio
17. Tri-Valley Cooperative Sales Co.	Office - Athens, Ohio
18. Milk Producers Union	Office - Cincinnati, Ohio
19. The Columbus Milk Producers Assn.	Office - Columbus, Ohio
20. The Dairy Farmers Distributing Co.	Office - Columbus, Ohio
21. The Lorain County Milk Producers Assn.	Office - Elyria, Ohio
22. The Tuscarawas Valley Cooperative Dairy Sales Assn.	Office - New Philadelphia, Ohio



Source: R. W. Sherman - A Study of Cooperative Milk Marketing Associations in Four Ohio Markets - Ohio Agricultural Experiment Station Bulletin 574, pages 59,60,61.

Table 6

Milk Marketing Associations Formed After July 1, 1933
And Before January 1, 1936

1. Defiance County Milk Producers Assn.	Office - Defiance, Ohio
2. Toledo Fluid Milk Association	Office - Toledo, Ohio
3. Allen County Milk Producers Association	Office - Lima, Ohio
4. Hancock County Milk Producers Assn.	Office - Findlay, Ohio
5. Shelby County Milk Producers Assn.	Office - Sidney, Ohio
6. Logan County Dairy Products Assn.	Office - Bellefontaine, Ohio
7. Miami County Milk Producers Assn.	Office - Troy, Ohio
8. Buckeye Independent Dairy Farmers Assn.	Office - Dayton, Ohio
9. Marion County Milk Producers Assn.	Office - Marion, Ohio
10. Pickaway County Dairy Cooperative Assn.	Office - Circleville, Ohio
11. Lancaster Milk Producers Assn.	Office - Lancaster, Ohio
12. Perry County Milk Producers Assn.	Office - Somerset, Ohio
13. Ross County Milk Producers Assn.	Office - Chillicothe, Ohio
14. Ironton Milk Producers Assn.	Office - Ironton, Ohio
15. Sandusky Cooperative Milk Producers Assn.	Office - Sandusky, Ohio
16. Dairymen's Products Cooperative Assn.	Office - Medina, Ohio
17. Ashland County Milk Producers Assn.	Office - Ashland, Ohio
18. Coshocton Milk Producers Assn.	Office - Coshocton, Ohio
19. Muskingum County Milk Producers Assn.	Office - Zanesville, Ohio
20. Cambridge Milk Producers Assn.	Office - Cambridge, Ohio
21. Ohio Independent Milk Producers Assn.	Office - Youngstown, Ohio
22. The Dorset Milk Company	Office - Dorset, Ohio
23. Mahoning Valley Dairy Products Assn.	Office - Beloit, Ohio
24. a. Farmers Dairy Products Company	Office - Brewster, Ohio (Stark Co.)
b. Farmers Dairy Products Company	Office - Middlebranch (Stark Co.)
c. Marlboro Cheese Company	Office - Marlboro (Stark Co.)
d. Farmers Own	Office - Brewster (Stark Co.)
e. Brewster Cooperative Dairy Products Co.	Office - Brewster (Stark Co.)

(These five cheese factories were set up individually as straight stock companies. The overhead organization was organized under the Ohio Cooperative Marketing Act.) (Page 60, Ohio Bulletin 574.)

Marketing Livestock Cooperatively by Elevators

After the Welsh farmers' experience at Granville in 1820 and the Grange's Livestock Sale Agency's experience on the Cincinnati Market during the eighteen seventies, there was no effort made to cooperatively market livestock in Ohio until 1907.

The Lindsey farmers elevator (Sandusky County) was the first to cooperatively market livestock successfully in Ohio in 1907.^{1/} Oak Harbor (Ottawa County) was second in 1913, Lucan (Richland County) and Fremont (Sandusky County) were third and fourth in 1915. By 1922, there were 33 farmer-owned elevators marketing livestock and by 1927, the number had increased to 36,^{2/} see Figure 7.

What Induced the Elevators to Market Livestock? "Nine had intended to handle livestock when they organized. Three elevators received their original impetus from the success they had with their livestock shipping association. The rest, who began this work after their elevators were organized, gave various reasons for engaging in livestock shipping. Six started the work at the request of their patrons. The major reason given was that the farmers thought that the old line buyers were taking too much profit. Almost a fifth considered livestock marketing as but one phase of their whole cooperative plan and felt they could handle livestock as well as other commodities and thereby receive better prices for their livestock."^{3/}

^{1/} Arneson, Edgar, Masters Thesis, 1928, Ohio State University, "The Coop Marketing of Livestock by the Local Shipping Associations and Farmers Elevators of Ohio," pp.80-82.

^{2/} Ibid.

^{3/} Ibid.

The difficulties and problems of these associations were competition, truckers moving livestock to distant markets, excessive livestock shrinks, and unsatisfactory prices.^{3/}

With the organization of the Ohio Farm Bureau Federation^{4/} and its Commodity Departments, emphasis was placed on organizing County Livestock Marketing organizations. As a result, Livestock Marketing by the local associations and farmer elevators declined and was taken over by the county organizations or other marketing organizations in their respective areas.

^{3/}Arneson, Edgar, Ohio State University, 1928 Masters Thesis, "The Cooperative Marketing of Livestock by Local Shipping Associations and Farmers' Elevators of Ohio," p. 75.

^{4/}Frank C. Dean, The Farm Bureau in Ohio, Ohio Farm Bureau Federation, Columbus, Ohio, pages. 13-20.

Marketing Livestock Cooperatively
by Local Shipping Associations

The first cooperative Livestock Shipping Association was organized in Ohio at New Concord, Muskingum County, in March 1916. The New Concord association was started by Earl McCall because the "community felt a need of such a cooperative association, and since the McCalls at one time had lived near Cleveland and sold livestock through the Cleveland stockyards,"^{1/} we saw no reason why we could not ship our own stock from the community." The first shipment was made April 1, 1916. Close estimates indicated that the cost for shipping livestock to Cleveland the first year was 52 cents per hundredweight on mixed cars, which included freight and yard expenses, insurance, and clerical work. The manager's fee was 10 cents per hundredweight of livestock. That organization made a steady growth and by 1920 had over 300 regular shippers.^{2/}

A similar type of association started at Hicksville, Defiance County, in 1919 and continued to operate independently through the next twenty years until 1939, when it became one of the branch markets in Northwestern Ohio of the Producers Livestock Association.

By 1921, there were 22 local livestock associations organized, all of which were located in Northwestern Ohio, principally Williams, Defiance and Putnam Counties except the New Concord organization, Figure 7.

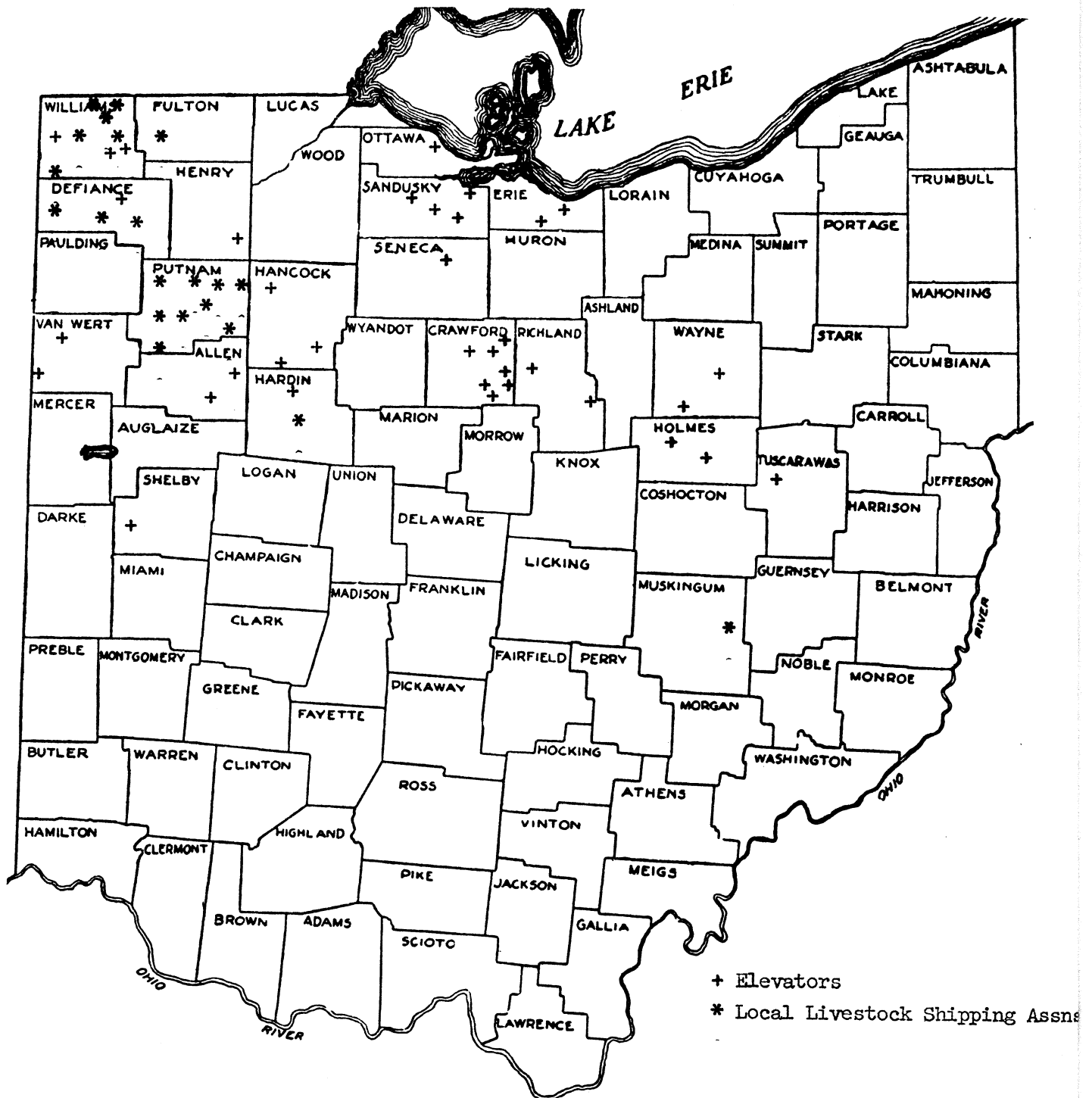
These organizations brought an improved market to the farmers in their areas and became a part of the Cooperative livestock movement in the early nineteen twenties.

The local associations marketed during the year 1926, 1,312 floors of livestock or an average of about 65 floors per organization. The average marketing expense per association for the year 1926 was 69 cents per hundredweight. Eight of the twenty associations studied by Arneson had average marketing expenses varying from 65 cents to 75 cents per hundredweight. Most of the shipments marketed during the year 1926 varied from 10 to 15 farmers per car load which indicated the volume marketed per individual was small. The volume marketed by the twenty local associations reached their peak during 1924 and 1925 and declined after that period.

^{1/}From a letter of Earl McCall in 1938 to G.F. Henning, Professor of Agricultural Economics, Ohio State University.

^{2/}Poling, Earl B., Ohio State University, 1939, Masters Thesis, "The History of Cooperative Livestock Marketing in Ohio," pp.7-8.

Figure 7: Location of the Thirty-six Elevators Marketing Livestock and the Twenty-one Local Livestock Shipping Associations which were in Operation During the Spring of 1927.



Marketing by County Livestock Marketing Cooperatives

By 1920 there were twenty-two Farmer Elevators that were marketing livestock cooperatively and seventeen livestock shipping associations had been started. The movement had developed satisfactorily and by 1920 there was an interest developing in the formation of a state association^{1/} to unite the efforts of the cooperative livestock interests in Ohio and to take action on their common problems.

T.D. Phillips^{2/} called a meeting at the Southern Hotel in Columbus March 8 and 9, 1920, that resulted in the formation of the Federation of Livestock Shippers, which was later changed to the Ohio Livestock Shipping Association.^{3/} Some of the county Farm Bureaus of Ohio, some county agents, and others^{4/} were very active in the formation of that association. The constitution and by-laws were adopted March 9, 1920,^{5/} and the directors held their first meeting on April 9, 1920. This organization represented the local and county organizations during the next ten years at the State level.

Consolidation with Farm Bureau

During this same period the County Farm Bureaus were uniting and formed The Ohio Farm Bureau Federation during Farmers' Week at The Ohio State University, January 27 and 28, 1919.^{6/} The Ohio Farm Bureau Federation became a very dominant factor in the cooperative development in Ohio from 1920 through the 1925 period.

^{1/} Poling, Earl B., Ohio State University, 1939 Masters Thesis, "History of Cooperative Livestock Marketing in Ohio," p. 18.

^{2/} T.D. Phillips was a member of the Bureau of Markets, Ohio Department of Agriculture, and served as chairman of the meeting.

^{3/} Poling, Earl B., Masters Thesis, p. 18.

^{4/} Poling, Earl B., Masters Thesis, p. 22. E.P. Reed, County Agent in Champaign County and F.G. Ketner, County Agent in Delaware were at that meeting, also attending was C.A. Latschaw of Ohio Farmers Grain & Elevator Association.

^{5/} The Officers selected were F.E. Perry of Leipsic, Putnam County, President; Howard McCune of Wilmington, Clinton County, Vice President; and C.C. Howenstine of Hicksville, Defiance County, Treasurer and T.D. Phillips, Secretary.

^{6/} The author, as a student in the College of Agriculture, Ohio State University, sat in the meetings which resulted in the formation of the Ohio Farm Bureau Federation.

"M.D. Lincoln, who in March of 1920 became Executive Secretary of the Ohio Farm Bureau Federation suggested, at the directors meeting of April 9, 1920, that cooperative shipping associations should be organized wherever there was a demand for an organization. Mr. D.E. Dunham, a director of the Cooperative Shippers Association, agreed with Mr. Lincoln and suggested that the Farm Bureau should be encouraged to assist in the development of activities in which the farmers were interested. Dunham then proposed a motion to attach the livestock shipping association to the Farm Bureau Federation as a practical means of developing the work."

"The next step was taken by Bernard Hatten (Delaware County), when he moved that the Ohio Federation of Cooperative Livestock Shippers desired to cooperate and affiliate with the Ohio Farm Bureau Federation in the development of cooperative livestock shipping organizations. The motion was seconded by Dunham and was passed unanimously. Following the passage of that motion, Dunham moved that the Ohio Federation of Cooperative Livestock Shippers, respectfully asked the Ohio Farm Bureau Federation to give financial assistance in developing cooperative livestock shipping. This motion was seconded by C.C. Howenstine (from the Hicksville, Defiance County, local association) and unanimously carried."

"It was at that time, April 1920, that the Farm Bureau began to come into the picture with regard to Ohio's Cooperative Livestock marketing program."^{7/} During the next twelve months a plan of affiliation with the Farm Bureau was worked out and adopted at the Annual Meeting on March 9, 1921.

During this period, F.G. Ketner,^{8/} who was formerly County Agricultural Agent in Delaware County, was employed (early 1920) by the Ohio Farm Bureau Federation as Director of the Department of Livestock Marketing. In this position he became a dominant influence in the development of Cooperative Livestock Marketing in Ohio and was associated with Cooperative Livestock Marketing until his retirement in 1960.

At the time of F.G. Ketner's selection as director of livestock marketing by the Ohio Farm Bureau Federation, there were twenty-two cooperative elevators marketing livestock in Ohio and seventeen local livestock shipping associations. After studying the operations of the locals and organizing several associations, Ketner visited some of the Corn Belt States,^{9/} conferred with their leaders, and upon his return decided to form a livestock organization that would operate on a county-wide basis since a smaller number of units would need to be contacted and incorporated. Since the Farm Bureau was organized on a county basis, the county type of cooperative livestock organization was agreed upon and June 21, 1920 Morgan County was the first under this new plan to be legally organized in

^{7/} Poling, Earl B., Masters Thesis, pp.24-27.

^{8/} Ketner had previously organized a county livestock shipping association in Delaware County, where he was county agricultural agent.

^{9/} Wallace, B.A., Cooperative Livestock Marketing in Ohio, Ohio Agricultural Experiment Station, Wooster, Bulletin 375, April, 1926.

Ohio, Morrow County was second, September 7, 1920; Madison County third, December 18, 1920; and Fayette County fourth, December 27, 1920.^{10/} There were 46 counties organized during 1921, eleven during 1922 and the Columbus organization in Franklin County was the last in 1925, making a total of 63 Ohio County Cooperative Livestock Marketing Associations. Figure 8 and Table 7. All counties were organized as capital stock cooperative organizations except Franklin which was a membership cooperative. The amount of stock varied from \$500 to \$5,000 per association, with \$3,000 being the most common amount (29 associations with \$3,000; 12 with \$4,000; and 11 with \$5,000).

Table 8 gives the earliest reported volume of livestock marketed cooperatively in Ohio. At the beginning of the first year of reports ending March 31, 1922, only 19 counties reported, but 50 were reporting at the end of the year. The years 1923 and 1924 were the largest for hogs; 1930 and 1931 for cattle, calves, and sheep. The number of counties reporting was largest for the year 1923 when 60 reported, but by the year 1931 it had declined to 48. The weaker counties had ceased operations and quit marketing livestock cooperatively.

It was during this period that a change in livestock marketing developed. With the coming of trucks farmers shifted from county associations to organizations dealing more directly with livestock slaughter and this has continued to the 1960 period.

Feeder cattle were purchased during 1923 and continued during the following years.

With the passage of the new cooperative law by the Ohio Legislature in 1923, the state livestock association changed its name to the "Ohio Livestock Cooperative Association."

The next important development was the appointment and report of the Committee of Fifteen.

Committee of Fifteen

With the organization of the American Farm Bureau Federation ^{11/} March 3, 1920, President James R. Howard appointed a Livestock Marketing Committee of Fifteen January 3, 1921. This committee met at Chicago on November 20, 1921, and proposed: (1) the formation of Producers Livestock Commission Associations at Terminal Markets and (2) the organization of the National Livestock Producers Association, (3) the formation of Producers Stocker & Feeder Companies with (No.1) and (4) the organization of Cooperative Shipping Associations at local points.

^{10/} Poling, Earl B., Masters Thesis, p.19.

^{11/} The Farm Bureau Through Three Decades, O.M. Kile, pp.47-57, The Waverly Press, Baltimore, Maryland.

Table 7

The Time of Organization of 63 County Associations
 24 Local Associations and the Year of First Shipment
 of Livestock by 33 Elevators in Ohio, from 1907-1925

Year	Farmers Elevators	Local Associations	County Associations	Total
1907	1			1
1908	0			0
1909	0			0
1910	0			0
1911	0			0
1912	0			0
1913	1			1
1914	0			0
1915	2			2
1916	2	1		3
1917	2	2		4
1918	3	0		3
1919	8	7		15
1920	3	7	5	15
1921	9	5	46	60
1922	2	1	11	14
1923	0	1	0	1
1924	0	0	0	0
1925	0	0	1	1
Total	33	24	63	120

Source: Original Records as reported in Earl B. Poling's Masters Thesis,
 p. 8.

Figure 8: Date of Organization of 63 Livestock County Associations in Ohio



Table 8

Annual Volume by Counties for Cooperative Associations from March 1, 1921 through December 1931 ^{1/}

For 12 months ending	Number Marketed							
	Hogs	Counties	Cattle	Counties	Calves	Counties	Sheep	Counties
March 31, 1922 ^{2/}	382,450	50	21,566	47	22,853	49	99,940	49
March 31, 1923	607,059	60	24,053	59	48,159	59	134,277	59
December 31, 1923 ^{3/}	634,070	57	25,851	57	49,536	55	125,132	55
December 31, 1924	588,651	51	23,199	52	49,852	52	131,900	50
December 31, 1925	462,411	46	17,462	47	50,664	47	125,336	46
December 31, 1926	471,936	43	15,749	43	46,478	45	140,840	44
December 31, 1927	409,363	42	15,012	42	38,993	42	141,396	41
December 31, 1928	537,771	43	19,291	42	51,485	43	138,013	43
December 31, 1929	575,514	46	27,134	45	48,805	45	152,214	41
December 31, 1930	535,548	51	35,020	52	56,412	50	219,474	51
December 31, 1931	468,931	47	36,926	48	56,634	48	160,192	48

^{1/} Data taken from the Annual Reports as published by F.G. Ketner, Director of Livestock Marketing of the Ohio Farm Bureau Federation in cooperation with Ohio Livestock Shippers Association.

^{2/} Started April 1, 1921 when 19 counties were organized and operating to March 31, 1922 when 50 counties were organized and operating.

^{3/} Shifted to reporting on a calendar year basis.

The Producers Livestock Association at Buffalo, New York was the first to be organized in the Eastern area November 1, 1922; Cleveland was next on May 15, 1923; Pittsburgh third October 15, 1923; and Cincinnati on February 10, 1925.^{12/}

The Buffalo and Pittsburgh organizations were formed by the State Farm Bureaus of New York and Pennsylvania and the affiliated organizations. Financial and directorial responsibility was accepted by each state in proportion to the amount of livestock that each state cooperatively shipped.^{13/}

The Cleveland Producers Association started with a loan of \$10,000 of which \$8,570 was made by the Ohio Livestock Cooperative Association and \$1,430 by Indiana.^{14/} These loans were paid back out of earnings by the Buffalo, Pittsburgh, and Cleveland organizations.

The original capital of the Cincinnati Producers Association was \$36,000 raised equally by the Indiana and Ohio State Farm Bureau Federations. Kentucky was not able to lend any financial assistance. As evidence of their loans, the organizations were given conditional notes bearing six per cent interest. The Cincinnati Producers paid off \$18,000 of this loan with interest the first year and the balance at the end of the second year of operation and had also accumulated reserves from savings of \$28,782.^{15/}

^{12/} Nourse & Knapp, "The Coop Marketing of Livestock," The Brookings Institute, Washington, D.C., p. 127.

^{13/} Address by F.G. Ketner at Annual Meeting of Ohio Livestock Cooperative Association, February 27, 1924.

^{14/} Ring, Earl B., Masters Thesis, p. 58

^{15/} H.H. Hulbert, Bulletin No. 34, Farm Credit Administration Cooperative Research and Service Division, p. 4.

Eastern States Company

During the year 1923 The Fayette Producers organization began selling hogs direct to packers in Eastern Markets. The organization sold 114 floors in 1923 and increased their volume of 1,223 floors for the year 1928.^{1/} Moving livestock from the farm to the packing plant direct eliminated the expense for extra yardage, unnecessary fills (water and feed), extra handling and local freight charges. Other Ohio county organizations soon started selling hogs direct.

This development was a big marketing problem F.G. Ketner faced at that time. He moved quickly and organized the Eastern States Company in 1923. This agency then handled livestock sales from the county livestock organizations to the packers and also served as order buyers for the Producers on the Cleveland, Pittsburgh and Buffalo Markets.

During 1928 the Eastern States Company was made a member of the National Livestock Producers Association. By this action the Eastern States Company was designated as its official order buying agency and the name was changed to the National Order Buying Company. Chicago, Detroit, Cincinnati, St. Louis, and later Iowa Associations were added as members.

Heavy losses resulted at St. Louis and Iowa. This discouraged other cooperatives from joining the National Order Buying Organization and the offices were moved to Columbus^{2/} where the organization served the Cincinnati, Columbus, Cleveland, Pittsburgh and Buffalo area.

^{1/} Nourse and Knapp, The Cooperative Marketing of Livestock, pp. 197-200. (The term "floors" has been adopted to supply a common denominator for both single and double deck cars.)

^{2/} Poling, Earl B., Masters Thesis, pp.86-88.

The Eastern Order Buying Company

In July 1934, The Eastern Order Buying Company was organized and took over the business activities of the National Order Buying Company on the Columbus, Cleveland and Pittsburgh markets. The National Order Buying Company was then liquidated.^{1/}

The Eastern Order Buying Company was incorporated under the General Corporation Law of Ohio and all the common stock was owned by the Producers Cooperative Commission Association of Columbus and was not transferable. Capitalization was \$50,000. The purpose of the organization as set forth in the Articles of Incorporation were broad and permitted engaging in any activity of marketing, buying, selling, and processing any agricultural products including livestock and livestock products. The directors of the Eastern Order Buying Company were the same directors of the Producers Cooperative Commission Association of Columbus and therefore was controlled by the same group of directors that controlled the Producers Cooperative Marketing Organization on the Cleveland, Pittsburgh and Columbus markets.

During this same period the Cleveland, Columbus and Pittsburgh Producers and the Eastern Order Buying Company were merged into one organization July 18, 1934, although their business activities were continued separately.^{2/} This was the type of organizational structure that Ketner and the directors agreed upon to cooperatively meet the changing livestock marketing system in Ohio and other states.

^{1/} Poling, Earl B., Masters Thesis, pp. 86-88.

^{2/} Ibid.

Fruit and Vegetable Cooperatives

The Peach Growers of Ottawa County, Port Clinton, Ohio in 1878 organized and cooperatively operated a loading dock which aided them in shipping their fruit by water from Port Clinton to be sold in Detroit, Toledo, Sandusky and Cleveland.^{1/} This organization continued operations until about 1960 and then ceased operations.

The Apple Growers in the area of Gypsum, Ohio located in Ottawa County organized in 1889 the Danbury Island and Gypsum Fruit Company, which was the oldest Fruit Cooperative in Ohio. It was operating in 1948 and according to Heckman and Goldsborough^{2/} was the oldest fruit cooperative then operating in the United States. The organization continued operations with decreasing volume until 1964 when it was decided to sell the buildings and equipment and all other assets were liquidated.

The Lorain County Grape Growers Shipping Association was organized at Avon Lake, Ohio in 1889. Two other associations: the Northern Ohio Grape Company at Euclid, Ohio (Cuyahoga County), and the Dover Grape Growers^{3/} (Tuscarawas County) began operating in the early 1890's. These organizations were started to assemble a large volume of fruit to attract buyers and improve quality.

^{1/} Cleastine Gardner, Beginnings of Cooperative Fruit and Vegetable Marketing (Washington, D.C., USDA), Preliminary Report Mimeographed, 1928, p. 4.

^{2/} John Heckman and George Goldsborough, Farm Credit Administration Bulletin 55, November 1948, pp. 1-2.

^{3/} William T. Richie, History and Development of Agriculture Cooperatives in Ohio, Ph.D. Dissertation, pp. 91-92.

Marietta Truck Growers Association ^{1/}

In 1908, the organization which later became The Marietta Truck Growers Association was organized. Three community groups seemed to have been the parents of this organization: The Valley Farmers Club, The Muskingum Farmers Club, and The Oak Grove Community Club. These groups after many preliminary local meetings determined that the salvation of the truck grower was in the formation of a cooperative selling organization. Their reasons were several but basic in their thinking was that through cooperation better financial returns could be secured. One of the original group was quoted as saying, "We were getting tired of getting twenty cent returns on sixty-two cent tomatoes." Also, behind their actions of organization was the thought of standardization of packages used and an improvement of the quality of the pack. ,

After preliminary organization, the members elected W.J. Cram to serve as their first president, who had contacts with the local business organizations, particularly the railroads.

Previous to the organization of the association individual growers marketed their produce locally either by huckstering through Marietta or selling direct to one of the several produce houses then located in Marietta. As a cooperative group, one of the first steps was to offer the selling of the pooled production of the group to produce companies for bids on a commission basis. In the beginning it was decided to divide the business at least three companies, namely, Crutchfield and Woolfolk, Thorniley Bros., and J.W. West and Co. One of the earliest records recorded was a copy of the contract between members of the association and the Crutchfield and Woolfolk Co., dated March 3, 1910, which was signed by approximately one-half of the membership.

In these early contracts the growers obligated themselves to deliver their produce to the selling agents, and the agents, in turn, agreed to distribute the same to the markets obtaining the highest market prices. Rules and regulations were drawn up as to standardization of pack and an inspection system was inaugurated with the final authority to inspection delegated to the Board of Directors of the Association. For their services, the selling agents agreed to a remuneration of ten per cent of the sales and placed one of their representatives in Marietta during the shipping season to handle the local end of the business.

^{1/} Ronald W. Dickey, Research Assistant, Agricultural Economics and Rural Sociology, Ohio State University, 1965-1966.

^{1/} Additional information on Early Agricultural Extension Developments and Marketing, Washington County, by Arthur H. Smith.

A problem which confronted the Board and the sales agent was in knowing what to expect to be delivered on any given day so that sales commitments could be made. Reports show that once in a while a disgruntled grower was detected selling outside the organization which usually resulted in the termination of his membership contract. Mr. Coar reported then, that Pool Payments were late since payments had not been received from the consignee. It is interesting to note that in 1915, the traction company put on extra inter-urban cars to handle the crowd at the Annual Association Picnic.

After considerable investigation and development, the Pioneer Brand label was adopted in 1915 essentially as it is today and the name, "Pioneer Brand" was officially adopted as the organization trademark. By this time the organization embraced the growing communities of Oak Grove, East Marietta, Devol's Dam, Lowell, Rainbow, Beverly, Waterford, and Coal Run, Ohio and Williamstown, W.Va.

Following the 1916 annual meeting, all members of the Association were listed for the first and only time with 375 names in the book. In 1916, a major change was made in the By-Laws which required all produce to be delivered on wagons with springs in packages of uniform size and of first class material with the stipulation of that all tomatoes be grown on stakes. Also, the year 1916 marked the first affiliation with the Ohio Vegetable Growers Association.

By 1917, the Association had outgrown its small office in the old German National Bank and had taken new quarters in the St. Clair Building.

An Association newsletter was started in 1919 with M.G. Nixon, the Secretary, acting as Editor. During this period the problem of "special pooling" came before the Board on several occasions, and efforts to develop a standardization of packing and quality.

A 1921 report to the Board gives some idea of the size of the Association at this time when it was reported that a survey showed a total of 2,092,100 tomato plants, 2,746,100 cabbage plants, 47,800 eggplants, 119 acres of corn, and 45 acres of cucumbers had been planted.

A report at the 1927 annual meeting indicated that the total membership at that time was approximately 650. Another report showed the total assets of the association to be \$6,519.00. It was during this year that the bushel basket was adopted as the standard container for cucumbers and the Belpre area was first recognized with a representative on the Board of Directors.

In 1936, approximately ten years after the idea had been first presented, the Board of Directors voted to affiliate with the Vegetable Growers of America. By this time the results of the depression and the slumping markets were reflected in Board discussions and ways of securing new members were being advocated.

1937 saw another major revision of operations when at the annual meeting, the Constitution and By-Laws were amended. Most of these amendments concerned packages and packing and the setting up of standards.

The year 1938 was an important year in the history of the Association. At a special meeting on February 26, 1938, the Articles of Incorporation were presented to the membership for approval. The approval was overwhelming and so the present organization was born. Also, at this time negotiations were started to purchase the present Marietta office and packing house building. Since the organization did not have the funds to make the purchase, a holding company was formed with directors and other members acting as trustees. This group then negotiated a loan and purchased the Second Street property. This action has often been referred to as one in which the Directors really stuck out their chins and put their necks on the chopping block for this was a gamble on the future of the organization in which these men placed their personal properties in jeopardy in the event that the venture should fail. Needless to say, these men deserve an important niche in Truck Grower history.

Editors Note: Marietta Truck Growers Association discontinued operations in 1976.

Vegetables

The Cleveland Growers Market, a cooperatively operated wholesale produce store was started in Cleveland about 1911, and conducted a wholesale and jobbing business. Its sales were made to Cleveland retailers. It operated only for a few years. In 1921 some 400 market gardeners and fruit growers working through their county Farm Bureaus revived the association and reorganized it as the Cleveland Growers Marketing Company and it was still in business in the 1950's.

Growers around Toledo and Akron organized associations during the early 1920's similar to the Cleveland Growers Marketing Company.

Lettuce Growers around Ashtabula and celery growers around Hartville, Stark County, were marketing their produce before 1920.

Sugar Beet Growers in Northwestern Ohio formed an organization to sell sugar beets to the factories before 1920.

In 1927 hot house cooperatives were started in Lucas and Cuyahoga Counties which handled mostly tomatoes.^{1/}

^{1/}C.W. Hauck and A.W. McKay, USDA, Farm Credit Administration, Bulletin 42, March 1941, p. 44.

Tobacco

Tobacco production in Ohio during the 1920's was located principally in the Miami Valley for Cigar leaf and along the Ohio River for Burley tobacco. Several hundred tobacco growers from all parts of the Miami Valley met at Dayton on July 6, 1910 and organized the National Cigar-Leaf Growers Union. The purpose of the organization was to improve methods of production and to seek advantages in marketing. The association signed about 6,000 grower members, but it lasted only about a year. The Burley Tobacco Growers Association of Kentucky was then organized in 1921. The success of this organization was a factor in the formation of the Miami Valley Tobacco Growers Cooperative Association, September 21, 1923.^{1/} The Legal Department of the Ohio Farm Bureau Federation was responsible for the legal requirements and the development of the contract that was signed by the Tobacco Growers for a period of five years.^{2/} The contract was not to become effective until 66 percent of the tobacco acreage for the district was under contract.

By November 1923 there were 4,930 growers representing about 20 million pounds of tobacco had signed contracts and the association was declared organized.^{3/} The contract was a purchase and sale agreement effective for five years and was developed by the Legal Department of the Ohio Farm Bureau Federation. Aaron Sapiro, who was the attorney for organizing the Burley Tobacco Growers of Kentucky at the same time was influential in the type of contract agreed upon by the legal department of the Ohio Farm Bureau Federation for the Miami Valley Tobacco Growers Cooperative Association.^{4/}

From its beginning the association had its difficulties. It received about 20 million pounds of 1923 crop (roughly 78 percent of the crop in Ohio). Members delivered this amount in about six weeks to the association. Grower members packed into cases and graded their own tobacco on their farms. The cases were not opened or inspected when delivered by the farmer growers but accepted as the grades marked by the farmers. Advance payments were made to growers according to their own grading. When warehousemen opened the cases, they found much of the tobacco was frosted, some was musty and could not be used or sold. It was unmarketable as delivered. This caused extra expense and delay in making sales in some situations advances to grower members exceeded the value of their tobacco. This resulted in member dissatisfaction and the association was unable to repay its loans to the banks.^{5/}

New management took over operations the next year and sold the tobacco in storage. The 1924 crop was small and the association handled only about 5,000,000 pounds compared to 20,000,000 pounds of the 1923 crop. Members were dissatisfied. The Association expelled about 300 members for non-delivery of the 1924 crop.

^{1/}George R. Eastwood, History of Cooperative Marketing of Tobacco in the Miami Valley, Masters Thesis, unpublished, Ohio State University, 1931.

^{2/}Frank C. Dean, The Farm Bureau in Ohio, pp. 64, 134.

^{3/}William T. Richie, History and Development of Agricultural Cooperatives in Ohio, Ph.D. Dissertation.

^{4/}Ibid.

^{5/}Ibid.

In October 1925, dissatisfied growers and management held a meeting and reached an agreement to allow members to withdraw from the association and to drop suits for breach of contracts.

The Association made no attempt to handle the 1925 crop. At the annual meeting November 2, 1925 the Association sent letters to members remaining in the organization for their opinion on continuation of the association. There was no favorable response and the association was dissolved.^{6/}

This ended cooperative marketing of tobacco until 1931 when about 100 growers in the Miami Valley Area organized the Ohio Cigar-leaf Tobacco Growers Marketing Association with headquarters at Brookville in Montgomery County. This association was organized and operated in a manner to satisfy this small group of farmers and has continued to the present time to operate and satisfy the members in the Miami Valley area.

^{6/} Ibid.

Grain Elevators

Rocky Ridge, Ohio

Rocky Ridge, Ohio (Ottawa County) first organized in 1904.^{1/}

Sometime in April, 1904, a meeting was held at Rocky Ridge, Ohio, at which the Ottawa County Cooperative Company was formed; 33 people attended this meeting. On April 26, 1904, the Articles of Incorporation were drawn up and the following men signed them at this time.^{1/}

T. L. Gumb, President
Herman Baumert, Secretary
John Blocky, Treasurer
A. J. Smith
S. A. Beatty

(I would assume that these men were the organizing force in this organization.) This first organization was a cooperative and was incorporated.^{1/} \$20,000 capital stock was authorized.

Why did they organize?

Herman Deering in Curtiss, Ohio, and Theirwechter, private grain elevators in Oak Harbor, were taking too much of a margin.^{2/}

History

Rocky Ridge (Ottawa County Cooperative) bought Theirwechter at Oak Harbor out 1932 or 1933.^{2/} Office moved from Rocky Ridge to Oak Harbor 1935-36.^{3/}

August 1, 1953, Rocky Ridge was closed, the Louisville Bank made a survey and based on these findings it was closed. Shortly thereafter the 100 foot tall structure was torn down. This company never folded.^{2/}

Mt. Cory

Early (co-op) Elevator Movement in Ohio

Mt. Cory, Ohio (Hancock Co.) first organized 1907.

^{1/} Articles of Incorporation and newspaper clipping at Ottawa County Co-op.

^{2/} Virgil Koring.

^{3/} Mrs. Grover Bahs.

Early organizers:	Robert Bowersox	Bill Harris
	Bill Williamson	Homer S. Greene
	Albert Guin	Jim France
	R. O. Comer	Miles Moyer
	Tom Caar	Luke Elzey
	Scott Whistler	Elias Crow

Big pushers were: Bill Williamson, Tom Caar, Scott Whistler, Robert Bowersox and Luke Elzey.

Why did they organize?

1. To have a place to market their grain.^{4/}
2. Needed an elevator in Mt. Cory; it was 1½ miles to Rawson (from his farm) to where another elevator was located. ^{5/}
3. Needed an elevator in Mt. Corey, distance to other elevators.^{6/}
4. Thought it would be a good thing for the community.^{7/}

Why it went under:

1. No market opportunities.^{8/}
2. Managers ran away with the money.^{6/}
3. Lot of shady business done.^{6/}

Summary of the early history^{9/}

In 1907 a number of farmers in the Mt. Corey vicinity saw the need for a farmer-owned outlet for their produce and organized the "Farmers' Elevator." There were 50-60 stockholders in this original unincorporated stock company; Bill Williamson, Tom Caar, Scott Whistler, Robert Bowersox and Luke Elzey were the men who were the organizing force behind this organization.

One of the first activities of this business was baling and shipping hay. The organization had much trouble, mainly because of crooked managers, and it went under sometime between 1912 and 1918. At that time a man by the name of J. C. Hostler bought it for \$4,000. He later sold it to the Farm Bureau for \$50,000 in the early 1940s.

Some of the early managers were: Wooley, Dickus, Rosan, Alex Zay.

Early shares sold for \$20. Had five board members.

^{4/} Clarence House

^{5/} O. W. Benner

^{6/} Lehr Greene

^{7/} Myron Moyer

^{8/} Arlo Doty

^{9/} Summarizing comments by Nelson Otto.

Bellevue, Ohio

Bellevue, Ohio (Sandusky and Huron counties) first organized 1909.

These men signed the original Article of Incorporation, dated February 19, 1909, of the Bellevue Farmers Grain Company:^{10/}

1. William Kinney, President
2. Hubert Wright, Secretary
3. O. G. Heter
4. C. P. Eichenlaub
5. G. E. Diehr
6. C. A. Cook
7. F. E. Fitch

Why organized? Gardner Grain Company took too much margin.^{11/}

People who helped organize:

William Eigler
 Samuel Decker
 Samuel Royer
 Bloom Royer

There were approximately 50 organizers.

He said that the farmers really took a chance, but they stuck together and made it work.^{11/}

History

This company was formed as a stock company and as a corporation. They had the following phrase written into their Articles of Incorporation: "One-member-one-vote irrespective of the amount of stock owned."

They became a cooperative in 1948. This company has never gone under.

Early Problems of Farmer Elevators^{12/}

Farmers organized elevators because:

1. wide margins taken by independents
2. services were poor
 - a. faster unloading
 - b. not modern in feed and fertilizer manufacturing

^{10/} The original Articles of Incorporation, dated February 19, 1909, of the Bellevue Farmers Grain Company.

^{11/} Frank Zeiber.

^{12/} Mr. S. E. Salisbury, Ohio Farmer's Grain, Fostoria, Ohio

Why co-ops went under

1. Inexperienced management (independent managers wouldn't work for co-op)
2. Independents fought them

Early organizational difficulties

1. Sometimes had difficulty in selling stock
 - a. farmers wanted co-ops but didn't have much money
 - b. independents fought
 - c. it was something new
2. Were under-capitalized

Charles Latchaw

(Personal Interview)

Mr. Latchaw did much for the farmer cooperative elevator movement in Ohio. He personally helped set up 125 elevators and did most of the legal work for them.

Farmers organized co-op elevators because:

1. They wanted to make a better market for themselves.
2. They wanted to have some say in the establishment of grade requirements.
3. They wanted to clean up the dirty terminal market conditions.

His first experience in forming a farmers elevator was with the one in his own home town of Defiance, Ohio, in 1915. At that time there was an independent elevator in Defiance and a farmer's elevator in a nearby town. (In those days though, it was so far as to be inconvenient because horses were still being used.)

One day he had 1,000 bushels of wheat to sell. The farmer's elevator was paying 5¢ more per bushel than the independent was. So, he told the independent elevator manager that he would sell him his wheat for the price the farmer's elevator was paying. The manager then called Dick Spangler on the phone and told him of the offer. Spangler told him 'no'. Spangler was an independent elevator operator who controlled the price of grain. (Just in the Defiance area, I believe.) Spangler then offered Latchaw 3¢ over the independent market for his wheat, which Latchaw accepted. This is just one example of the conditions in the grain market at that time.

Shortly after this he organized the farmer's elevator in Defiance. He did this by selling the idea and shares of stock to the farmers, and he raised \$15,000 (20,000). They bought a flour mill for \$25,000 with that, hired a manager and started operations.

The first manager bought some wet oats, and it was feared that the mill would burn because of the heat. The farmers then asked Mr. Latchaw to manage the company which he did. Under his management the company made money and was able to pay for its facilities (\$25,000) in three years. The elevator is still operating at Defiance when this publication was printed.

Some farmer's elevators met considerable resistance from the independents when they tried to organize. The company at Grelton was an example. The Toledo Grain and Milling Company owned an elevator in Grelton and nine more in the surrounding community.

The farmers started an elevator.

The Toledo Grain and Milling Company influenced the railroad to refuse a siding to the farmer's elevator.

The farmer's elevator then spent \$1,500 in court costs to get a siding.

Then the Toledo Grain Company gave 10¢ more at its Grelton elevator than it did at its other points.

The first manager of the farmer's elevator, Charles B. Krohn, took the grain to brokers at the Toledo Terminal who were antagonistic toward farmer's elevator. Krohn then worked up his own trade by putting a note in his cars which said: "If you like this grain, call the farmer's elevator at Grelton, Ohio."

Why did farmer's elevator fail?

1. Speculation by the managers.
2. Accounts receivable.

He gave several accounts of where the manager would purchase a certain amount of wheat on the account of the elevator and if the price went up it was the manager's profit; if it went down, it was the elevator's loss.

He also mentioned that 1920 was a bad year for the farmer elevators (30 elevators shut their doors) because of:

1. a falling grain market (Chicago Board of Trade gamblers).
2. and a shortage of railroad cars (there was always a car shortage at harvest).

The falling grain market was due to a large degree by speculators on the Chicago Board of Trade. These falling grain prices together with the shortage of cars, tied the hands of the Farmer's Elevators so they couldn't ship their grain. As a result, 30 Farmer's Elevators had to shut their doors.

He also stated that the Farm Bureau was one of the biggest competitors of the Farmer's Elevators.

He also helped set up many cooperatives in Grange Halls, the first of these being in Sidney, Ohio. The Grange wanted the farmers to join the Grange first and then form a co-op. Latchaw wanted the farmers to form a co-op first, and then join the Grange if they wanted to.

Cooperative Elevators

The first Coop elevator in Ohio was organized in 1904 at Rocky Ridge in Ottawa County, the second at Mt. Cory, Hancock County in 1907, the third at Bellevue, Huron County in 1909, and the fourth at Grelton in Henry County late in 1910. According to Erdman "It was mainly as a result of the success of the Grelton Company that a number of others were organized in the next few years."^{1/} These organizations were started by the local farmers, because they had the belief that the private-owned elevators were taking too wide a margin; they believed it would have better services and faster unloading;^{2/} the farmers would own the facilities and would share in the earnings.^{3/} By December, 1914, thirty-four Farmers Elevators had been established and were located mostly in North-western Ohio (ten were located in Henry County) Fig. 1. About 60 per cent of the membership numbered between 50 and 150 members per elevator and approximately 70 per cent of the elevators had a capacity of 20,000 bushels or less.^{4/} They were very small when compared to the size of elevators in the 1960's.

^{1/} H. E. Erdman, Ohio Experiment Station Bulletin 331, pp. 140, 141.

^{2/} Ibid., p. 147

^{3/} According to Charles H. Latschaw there was a very bad terminal market condition affecting prices and grades of grain. In a personal statement to the author, Charles H. Latschaw related an experience in his home town of Defiance that happened in 1915. He had 1,000 bushels of wheat to sell, and asked the price at the local elevator operated by Dick Spangler. There was a nearby farmers' elevator but it was too far to haul wheat by horses and wagon, but they were paying 5 cents per bushel over Defiance. Mr. Latschaw asked the manager of the farmers' elevator in the next town to call Dick Spangler in Defiance and tell him the price the nearby farmers' elevator was paying. This he did. Then Latschaw said he would sell his wheat to Spangler in Defiance for the same price the other elevator was paying. Spangler said no, but after some price jockeying Spangler offered Latschaw 3 cents more per bushel than his first offer, which Latschaw accepted. This was an example of some of the conditions in the grain market at that time. A few months after that experience in 1915, Mr. Latschaw organized a farmers' elevator in Defiance, bought a local elevator, and became a competitor of Dick Spangler.

^{4/} Erdman, op. cit., p. 147

Erdman^{5/} stated that 90 farmer elevators had been organized in Ohio by 1918. Some organized because local grain dealers wanted to sell rather than have a competing farmers organization. In some instances where two or more were operating in the same town the farmers bought one of the local elevators and later on bought the other competing elevator.^{6/}

The capital was rather small in starting the first elevators according to Erdman -- "Forty-two had capitalization of \$20,000 or less; There were forty-one capitalized for \$20,000 to \$30,000, and four over \$30,000." Of sixty-two of the above organizations only an average of \$11,788 had been paid in at the time of the study (1918). Most of the capital needed was borrowed from local banks. Capital was increased later from earnings as their business expanded.

There were 34 organized during 1917 and 1918 and 106 during 1919 and 1920, the peak period of organization for Ohio. Figure (10). After looking at Figures (9) and (10), one observes that the Coop elevator movement was definitely a Northwestern Ohio development. According to Foster^{7/} by 1924, there had been organized 286 Farmer Elevators of which 265 were in operation (21 had failed). In addition there were 420 flour mills and 348 independently owned elevators competing at that time for the grain business in Ohio.^{8/}

A large number of these organizations were started locally by farmers, but the Farmer Grain Dealers Association of Ohio, which was organized March 13, 1916, gave assistance to many.^{9/} Charles H. Latschaw of Defiance was the secretary for many years and aided approximately 125, in a statement to the author, of the organizations with their articles of incorporation, by-laws, and other problems of organization. "But it should not be overlooked that in the years 1915 to 1940, no one contributed more toward the upbuilding of the farmer elevator interests in Ohio than Charles Latschaw, Secretary of the Ohio Farmers Grain Dealers Association. No one can work so long and meet such varied problems without criticism, but our opinion above stated is based on twenty years of close observation of this field."^{10/} The Farmer Grain Dealers Association of Ohio has continued down through the years and has assisted the elevator and supply companies (cooperative and non-cooperative).

^{5/} H. E. Erdman, The Farmers Elevator Movement in Ohio, Ohio Agricultural Experiment Station, Bul. No. 331, November, 1918, pp. 141-142.

^{6/} This happened in the authors home town.

^{7/} L. G. Foster, Economic Aspects Ohio Farmers Elevators Ohio Experiment Station Bulletin 416, p. 4.

^{8/} Ibid., pp. 30, 66.

^{9/} Erdman, op. cit., pp. 149, 150, 154.

^{10/} B. A. Wallace, page 12. Development of the Farmer Elevator Movement in the State of Ohio. Mimeograph Bulletin unnumbered. Agricultural Economics Department, The Ohio State University, October, 1948.

Figure 9: Location of Farmer Elevators in Ohio Established Before 1915

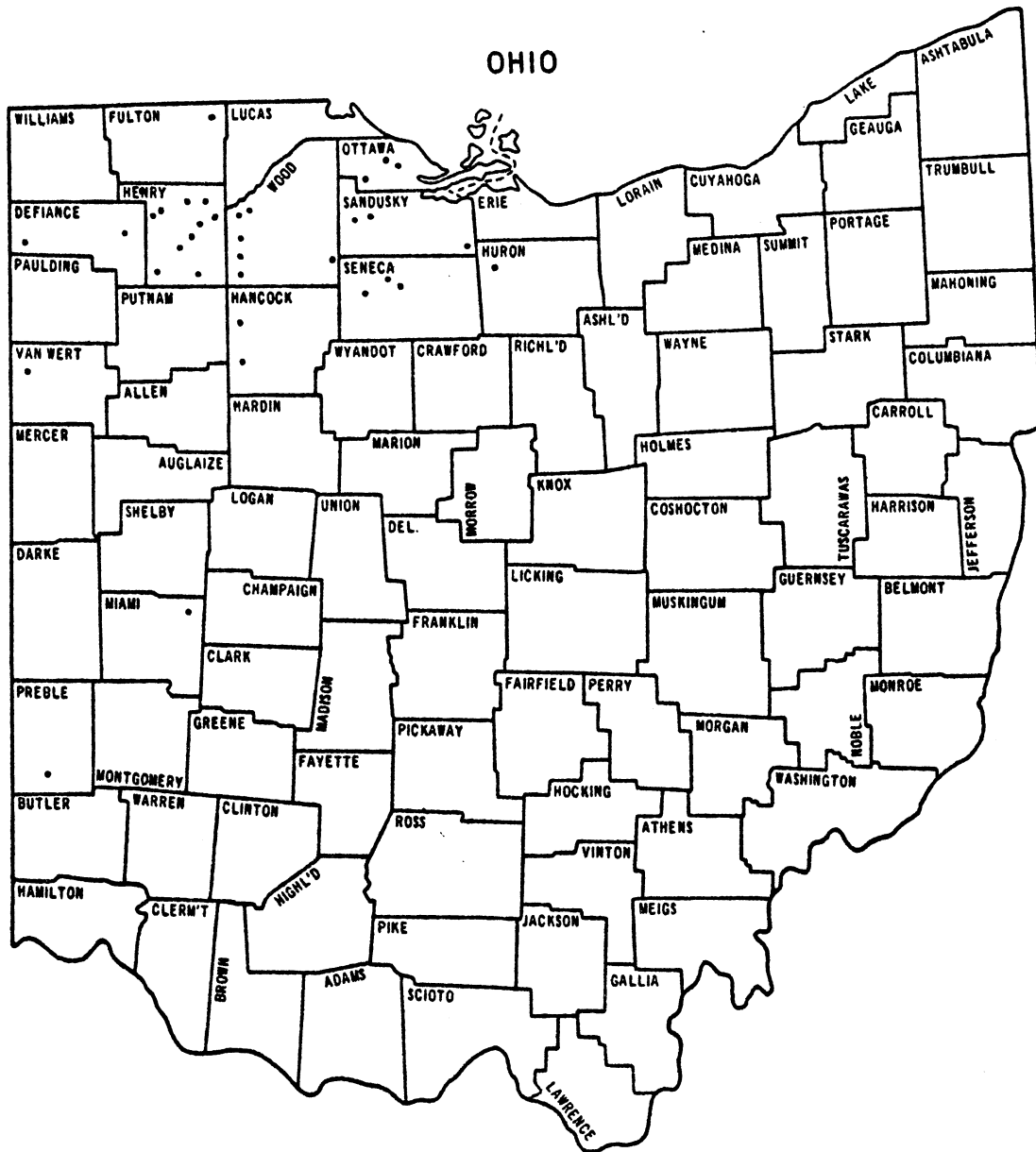
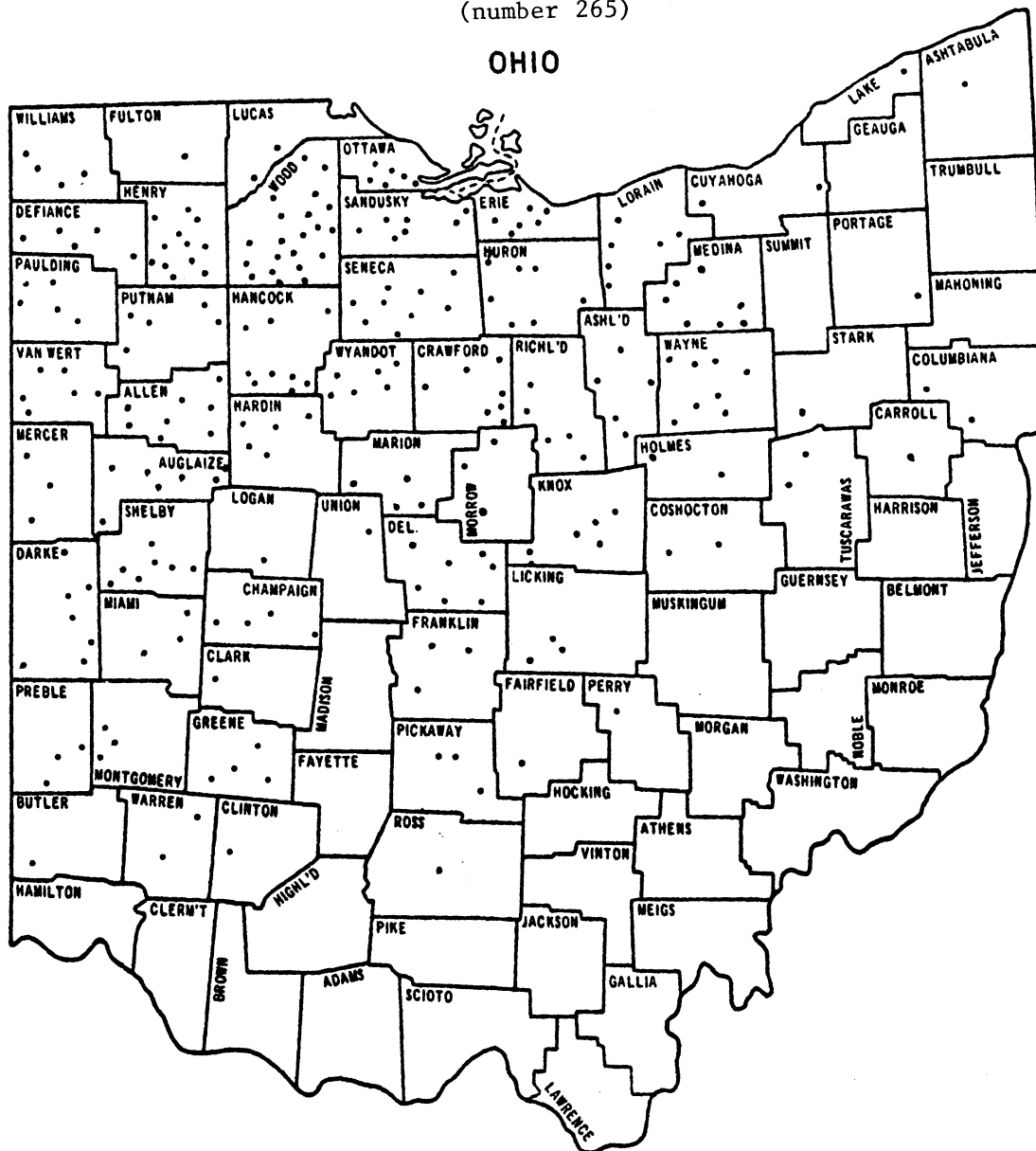


Figure 10: Location of Ohio Farmers' Elevators in Operation in 1924
(number 265)



Another influential organization was the Equity Union^{11/} which by 1914 had organized 3 elevators and had aided and assisted in the organization of many more during the next ten years. From 1904 to/and including 1924, information was obtained on 217 Farmer Elevators organized in Ohio, and of this number 56 were assisted in their organization by the Equity Union, 46 by the Farmer Grain Dealers Association, 13 by the Farm Bureau, 2 by the Grange, 1 by the Gleaners, and 99 by the Farmers locally themselves.^{12/}

In nearly all cases the practice of farmers' elevators was to pay cash for grains and other products purchased from farmers, usually at prevailing market prices. Such local prices were usually determined by what the farmers' company could afford to pay and keep a sufficiently safe margin, though it was sometimes determined by what competitors were paying. Since, according to reports, over 50 per cent of the farmer companies had from 1 to 4 local competitors, in addition to competitors in nearby towns, therefore, prices were undoubtedly influenced in most cases by what competitors were paying.^{13/}

There were basically four methods of buying grain during the period of organization.

- (1) Flat price.
- (2) By grade, basis of uncleaned grain.
- (3) By grade, basis of cleaned grain, screenings retained by the elevator company.
- (4) By grade, basis of cleaned grain, screenings returned to the farmers.

Since new government grading rules had gone into effect, there were relatively few companies by 1920 paying a strictly flat price. Practically all attempted to grade to some extent rather than pay a flat price to all. A considerable number of buyers graded without cleaning the grain. In these cases allowance was made for dirt, for condition of the grain as to moisture and quality, and for weight test. The judgement of the buyer usually played a large part in determining the grade on any given lot since all of the tests were seldom applied.^{14/}

During this period of early organization, 1915 to 1920, salaries paid the managers were very low as reported by Erdman.^{15/} Only 11 of the 49 companies furnishing information paid salaries to managers over \$1,400 annually.

^{11/} The Equity Union was organized in 1910 in Illinois by C. O. Drayton who had been a member of the American Society of Equity and its main purpose was the elimination of a large share of the profit of the middleman, from Robt. H. Blosser, A History of the Major Agricultural Movements in the U.S. Before 1920. Masters Thesis, Ohio State University, 1937, p. 42.

^{12/} Foster, op. cit.

^{13/} Erdman, op. cit., p. 150.

^{14/} Ibid., p. 150.

^{15/} Erdman, op. cit., p. 154

Probably fully one-fourth of the companies that were formed in the period 1915-1920 passed out of existence in the next 5 years. Among the reasons were:

1. Plants had often been bought at inflation prices
2. Another difficulty was undercapitalization of these companies.
3. The impossibility of finding in the short period 200 managers, who were capable business operators and also were acquainted with cooperative principles and only a relative few managers were acquainted with hedging procedures at that time.
4. The lack of sufficient freight cars -- many companies bought grain to elevator capacity, and then could not get cars until the price had dropped disastrously; and the purchases were made on borrowed money.
5. Too liberal payment of dividends out of the earnings were made for the years 1917, 1918, and 1919.

During this early period managers of farmer elevators were not familiar with hedging and its operations. Many of the elevators were located long distances from organizations having contracts with the Board of Trade during this early period.

Cooperative Elevators After 1920

The period of the 20's especially from 1923 on, was devoted by the remaining companies to paying off the indebtedness, reducing or wiping out deficits, and improving the facilities. Eighty-eight companies from which data were obtained, increased their total assest in the years 1924-28 by \$470,000; likewise, fifty-nine companies, most of them included in the eighty-eight companies just mentioned, reduced notes payable in the same four years by \$325,000.^{1/}

The period 1930-1933, the depression period, has a history all of its own. The volume of business in 1933 had declined to little more than half that of 1929. In spite of cutting expenses to the bone and of widening margins somewhat (8.7 cents per dollar of sales in 1929 and 11.2 cents in 1932-33), it was still impossible to make reasonable savings. Net savings per company, according to Wallace's data, in 1928-29 averaged \$3649, and in 1932-33, even with profit margins increased more than a fourth, the net saving per company averaged only \$627; 36 percent of the companies showed losses instead of gains.^{2/}

Small volume elevator organizations preceding World War II emphasized the problem of small volume operation.

Annual Volume	Expense per Dollar of Sales	
	1928-29	1937-38
Less than \$75,000	10.7 cents	12.5 cents
\$75,000 - \$225,000	9.0 "	9.0 "
Over \$225,000	6.1 "	7.0 "

To get low cost operation, elevators needed large annual volumes.^{3/}

During the 1929-30 period, an effort was made to assist agriculture and the cooperatives by the formation of the Federal Farm Board. One of its efforts was to develop a national grain sales program and the Farmers National Grain Corporation^{4/} was organized with headquarters at Chicago. The Farm Board advanced the funds for organizing and financing the Farmers National Grain Corporation.

A farmer to use the facilities of National Grain had to be or become a member of a local elevator association, which was affiliated with a regional member of the Farmers National Grain Corporation. In Ohio suggestions had been made in the late twenties by the Farmer Elevator leadership for the organization of a state organization for centralized buying of farm supplies.^{5/}

^{1/} B. A. Wallace, Department of Agricultural Economics, Ohio State University, Mimeograph Bulletin No. 21, p. 12.

^{2/} B. A. Wallace, Department of Agricultural Economics, Ohio State University, Mimeograph Bulletin No. 120, p. 8.

^{3/} B. A. Wallace, Department of Agricultural Economics, Ohio State University, Mimeograph Bulletin No. 120, p. 10.

^{4/} O. M. Kile, The Farm Bureau Through Three Decades, pp. 164-167.

^{5/} B. A. Wallace, Department of the Farmer Elevator Movement in Ohio, Mimeograph Bulletin (unnumbered), 1948, Agricultural Economics Ref. Room, pp. 14-20.

The Farm Board Development gave impetus to this idea and during 1929 the Ohio Farmers Grain and Supply Association located at Fostoria, was organized and membership was taken in the Farmers National Grain Corporation. Farmers of Ohio through their local cooperative elevators could thus take part in the National Grain program.

In Ohio a storage facility of about one million bushels was secured at Fostoria by the National Grain Corporation. However, the National Grain Corporation did not obtain the support nationally of enough farmer elevator organizations to participate in a strong National Grain program. As a result, The Farmers National Grain Corporation soon lost money, failed in 1938, and was liquidated by the Farm Credit Administration.^{6/}

Soon after organization (1929), the Ohio Farmers Grain and Supply began furnishing fertilizer, feed, seed, and other supplies desired by the local farmer elevators. Since capital was limited, the plan adopted was to enter into contracts with manufacturing companies to furnish the supplies desired by the farmer elevators. Ohio Farmers Grain and Supply received a commission from the manufacturer on supplies shipped by the manufacturer to any local member farmer elevator.^{7/} This resulted in a favorable wholesale price development between the local farmer elevator, Ohio Farmers Grain and Supply, and the manufacturer of farm supplies.

As noted above the Farm Credit Administration was responsible for the liquidation of National Grain Corporation's facilities. This included the facility at Fostoria, which at the time of liquidation, had elevator capacity for about 1,200,000 bushels. This meant that the Ohio Farm Elevator Group through the Ohio Farmers Grain and Supply Association had to resume grain operations and after a period of discussion, it was decided to organize in Ohio a new company to handle grain only. This action resulted in the organization of the Ohio Farmers Grain Corporation (1938) which leased the Fostoria Grain storage operation (formerly the National Grain Corporation) from the Farm Credit Administration. Later on, the facility was sold to the Ohio Farmers Grain Corporation.^{8/}

This was some of the reasoning and action of the leadership of the Ohio Farmers Grain and Supply organization. From that time on, all grain marketing for the organization has been handled by the Ohio Farmers Grain Corporation, but the word "Grain" still remains today in the name of the Ohio Farmers Grain and Supply Association, which handles only farm supplies. Thus two business organizations have continued; the first organized handling supplies and the second organized has handled grain.

^{6/} Ibid.

^{7/} Ibid.

^{8/} Wallace, Ibid.

The Ohio Equity Story*

This paper is an attempt to present an objective report of why Ohio Equity, Inc. passed from the scene of Ohio agricultural cooperatives businesses. Directors of Ohio Equity, Inc. were interviewed in addition to past and present directors of Ohio Farmers Grain and Supply and individuals familiar with the activities and objectives of Ohio Farm Bureau Cooperative Association. Many of these individuals presented conflicting statements but their biases and attacks upon other individuals have been overlooked as much as possible in this paper.

The elevators organized by the Equity Union in Ohio during the early Twenties developed a central brokerage organization located at Lima through which grain was sold and coal, fertilizer, feed, oil, fence, and other farm supplies were purchased. This organization failed in 1926 and was reorganized as the Ohio Equity Exchange Company.^{1/} Earnings of cooperative elevators doing business with the new company were applied toward a voting membership. After organization, it operated for years as a brokerage operation for selling grain and purchasing supplies. It was reorganized later as the Ohio Equity, Inc. A warehouse and elevator was obtained at Wooster to serve a number of Equity elevators located in Northeastern Ohio and a few years later a similar operation was obtained at Lima, Ohio.^{2/} B. A. Wallace wrote in 1946 they had invested a working capital reserve which amounted to \$89,482.00. Net savings for the year 1946 were \$46,064.00

The Ohio Equity, Inc. continued and expanded their operations at Lima and acquired a grain storage operation. They purchased farm supplies for their members and marketed grain. During the early nineteen sixties the Board of Directors were faced with management difficulties, and financial losses. Efforts were made by cooperative leaders of Ohio Farmers Grain Corporation and Ohio Farm Bureau Cooperative Association to acquire the facilities of the Ohio Equity, Inc. After several meetings no agreement was reached although it was the thinking of some of the cooperative leaders that an agreement would be reached. Instead, over a weekend the Equity directors accepted an offer of purchase by Cargill, Inc. The Ohio Equity, Inc. sold their facilities in July, 1964, and began liquidating the organization.

It is not the authors task to form any preconceived notions regarding the demise of Ohio Equity, Inc. Any of the statements presented are only the result of careful analyzation and documentation of the respective interviews.

*The editor believes this information was collected about 1965, with the help of Ron Dickey, Research Assistant, The Ohio State University.

^{1/} B. A. Wallace, Ohio Cooperatives--Their Business Activities, Ohio Agricultural Extension Bulletin 191, November 1937, p. 14.

^{2/} B. A. Wallace, Development of the Farmer Elevator Movement in Ohio, Mimeograph Bulletin unnumbered, Rural Economics Department, O.S.U., October 1948, pp. 12, 13, 14.

It is the purpose of this paper to reveal the internal conflicts of an agricultural cooperative business and the resulting aftermath. It is hoped that much knowledge can be assimilated so as to prevent any other such occurrence. If the welfare of the Ohio farmer is to be protected agricultural cooperative businesses must be operated in such a manner so as to fulfill any need of the farmer. If a business fails financially it is well to know why. Did the farmer fail to support the cooperative? Was the management at fault in any way? Did the board of directors neglect their duties? There are so many things to consider when a cooperative business fails for one reason or another. The farmer of today has different attitudes than his father or grandfather. There is more of an air of independence and self-reliance and less concern for other individuals. There is more of a competitive-spirit amongst individuals and more concern for the welfare of the individual. This attitude reflects no more strongly than on the agricultural cooperative business organization.

If the cooperative is to continue to exist in such a changed environment it cannot hope of changing the individual but must change itself. This change does not have to be drastic but only of such a nature so as to attract the individual. In their formative years agricultural cooperatives were financed by the members in such a degree that the facilities and services offered were beneficial to the member-patron.

Today most agricultural cooperatives do not receive the necessary financial support from their members. Instead, financing must be obtained internally or through external sources, such as commercial banks, Bank for Cooperatives, or the sale of preferred stock and debenture bonds, with or without maturity dates, to the investing public. Another basic problem facing today's agricultural cooperative businesses is the attitude of the member-patron in respect to payment of patronage dividends. Some cooperatives pay a large portion of the net savings out in cash, whereas others may allocate the patronage, issue Certificates of Ownership, common or preferred stock. Some cooperatives may revolve the patronage for a certain number of years before it is returned to the patron. If the cooperative is presently paying a 6% dividend on the outstanding common stock and has been paying the dividend for a number of years then when the cooperative is faced with a year of poor net savings and unable to pay the dividends the member-patrons declare their antagonistic attitudes. If the cooperative is to finance the operations internally then more concern towards permanent capital must be expressed. The building of permanent capital through the payment of Federal Income Tax assures the cooperative of inexpensive growth capital to be used to expand the facilities and services demanded by the member-patron. The only way of attracting farmers to the cooperative is to offer the facilities and services demanded by them in their respective operations.

The Opinions of Ohio Equity, Inc. Directors

The concensus of the Ohio Equity, Inc. directors interviewed was that the basic difficulties of Ohio Equity, Inc. rested with its management. The management sought to expand the operations of the business too fast with little concern for financial ability. Poorly conceived business activities were undertaken with little foresight of financial profitability. The management also failed to coordinate their respective business responsibilities. Coordination of basic business policy rested in the hands of one individual who failed to exercise good business judgment.

This poor judgment was reflected in poor accounts receivable collection, excessive indebtedness and poor handling of fiscal net savings. Instead of building adequate working capital reserves, large cash dividends were paid to the stockholders. Working capital was obtained from the Louisville Bank for Cooperatives and the necessary interest charges created a current liability of large proportions. The credit policy of Ohio Equity, Inc. did not fulfill the requirements of good business policy. Overdue accounts were not charged interest in many cases but the capital carried an interest charge from the Bank for Cooperatives. Finally, after a period of time the cooperative found itself heavily in debt to the Bank for Cooperatives and unable to obtain any more capital. Adding to this plight was the fact that several of the business operations failed to make a profit. The most important of these operations was the Crestline fertilizer facility which never did make a profit. The facility cost nearly \$500,000 to construct and was finally sold for a paltry \$75,000.

The problems of Ohio Equity, Inc. can be traced pretty assuredly to the management of the operation. Several of the Ohio Equity, Inc. directors felt that maybe they should carry some of the blame because of their unwariness of what was really happening in the business. Before they realized the seriousness of the problems it had reached such magnitude that little hope of recovery could be found. The last resort was either to lease or sell the facilities of Ohio Equity, Inc.

Attempts to Lease or Sell the Facilities

Ohio Equity, Inc. was faced with a difficult situation when it found that its financial picture was dark and dismal. The Bank for Cooperatives presented Ohio Equity, Inc. with a means of repaying its debts. J. Kenneth Ward, President of Louisville Bank for Cooperatives, met with the Ohio Equity, Inc. board and presented a lease agreement for a new corporation, FARMOHIO, Inc. The lease agreement included an option to buy the Lima facilities as well as the investments of Ohio Equity, Inc. including the common stock in Mid-States Terminals, debentures of Mid-States Terminals, and the patronage stock of the Louisville Bank for Cooperatives. The shares of stock of the Producers Export Company were also included.

The sale price of the Lima facilities and investments was to be \$954,500.

The Ohio Equity, Inc. board agreed that the lease was much too harsh in that the rental was not even enough to cover the interest payments on Equity's indebtedness to the Bank for Cooperatives. The lease was for the term of six (6) months commencing July 6, 1964 at a rental of Five Thousand Dollars (\$5,000) per month payable on the first day of each month.

All negotiations broke down and no agreement was reached on leasing the facilities to FARMOHIO, Inc., a new corporation made up of Ohio Farm Bureau Cooperative Association and Ohio Farmers Grain and Supply Association.

Ohio Farmers then entered negotiations with Ohio Equity, Inc. in hopes of buying the Lima facilities. Ohio Farmers offered to buy the facilities for a price which was considered to be by several directors as a give-away price. Negotiations also fell through with Ohio Farmers and finally the facilities were sold to CARGILL, Inc.

The Ohio Equity, Inc. directors in the majority consider the Landmark Association as being unduly obsessed with trying to further their own selfish interests. This attempt at increasing their strength and position rests largely with one single man. They consider him to be of such character as to use any means of attaining his ends.

The Ohio Equity, Inc. directors are still bitter because of the demise of Ohio Equity, Inc. They realize that it did provide a service to the member organizations and the Ohio Farmer.

It is interesting to note whether the Equity Board are bitter towards others who they consider to be at fault in the financial collapse of the business or to themselves who maybe should have seen these problems arising before they multiplied to such an extent.

The Opinions of Present Ohio Farmers Directors

It is interesting to note that the opinions of what happened in the leasing negotiations of Equity facilities are at complete odds. There is almost total agreement, though, that the Ohio Equity, Inc. management is to be blamed for the end financial condition of the business.

The basic difference in opinion rests with the situations arising after the Bank for Cooperatives decided to discontinue any further credit to Ohio Equity, Inc. The Ohio Farmer directors interviewed expressed complete sincerity in their motives in dealing with Ohio Equity, Inc. They claimed that their offer to buy the Lima facilities were more than reasonable. Ohio Equity rejected such an offer as being purely a means of taking advantage of its situation.

The Ohio Farmers directors believe that any such statements made by Ohio Equity, Inc. directors is just the result of them being uninformed as to what the actual situations are. They also believe that one or two Equity directors have created this turmoil within the board and have unduly influenced the other directors. In a situation such as this it is extremely easy to blame others so as to escape personal blame.

The Ohio Farmer directors interviewed believe that the Equity directors in the early negotiations were unaware of the magnitude of their financial plight. The audits of Ohio Equity, Inc. were manipulated and totally unrelated as to the actual condition of the business. The Equity directors appeared to shut their minds to the terrible truth and to their personal relationship to the situation.

The directors also believe that the Equity directors now regret not selling the facilities to Ohio Farmers. Their offer was more just than had originally been supposed. In fact, if Ohio Equity, Inc. had accepted Ohio Farmers' offer, the Equity stockholders would have received \$.50 on the \$1.00, instead of only about \$.10 on the \$1.00.

The Equity elevators in Ohio are selling grain and buying supplies basically from Ohio Farmers in Fostoria. Several of the Equity associations who are bitter towards Ohio Farmers will probably forget their differences and conduct business affairs with Ohio Farmers. It would be to the advantage of these Equity associations to do business with Ohio Farmers basically because of Ohio Farmers ability to merchandise grain skillfully and also because of its policy of allocating patronage dividends.

The Licking County Egg Shipping Association

L.L. Mowls, Licking County Agricultural Agent in his report for December 1, 1920 to November 30, 1921 told of the early organization and operations of the Licking County Egg Shipping Association. At a Farm Bureau Meeting in January 1921 in North Union Township of Licking County the idea of getting a better price for eggs was discussed. A larger County Committee was appointed with the County Agriculture Agent as Chairman. G. S. Vickers, Poultry Extension Specialist of The Ohio State University was asked to help develop a set of rules and regulations to govern an organization and this was submitted to the executive committee of the Licking County Farm Bureau. A local dealer was approached to handle a supply of egg cases. He ordered 1,000 cases (April 1921) and had correspondence with the Bureau of Markets of New York City and Commission Merchants of New York.

On May 4, 1921 Lee Harris of North Union Township shipped the first case, 30 dozen of eggs to New York City. The net returns over the local home price were not big but large enough to warrant more shipments.^{1/}

This started the Licking County Egg Shippers Association. After a short period, interest declined and truck buyers from Eastern areas began picking up eggs in the territory which resulted in the failure of the egg shipping association.

The Pandora Area in Putnam County, was next to market eggs cooperatively.^{2/} It was started in 1923 following a short course in egg marketing conducted by the Vocational Agriculture Department of the local high school.^{3/} Members signed a three year contract to sell their eggs through the egg shipping association that was started.

The members signed a three year contract and paid a membership fee of \$3.00 later raised to \$5.00. A charge of 1/2 cent per dozen of eggs plus freight was made in the beginning. After operating about ten years the association was taken over by the Ohio Farm Bureau. At that time the Association had eighty members and the volume was around three-hundred fifty cases per week. The Farm Bureau operated the plant for about 2 years and then gave it up.^{2/}

The farmers Equity Union Creamery Co. of Lima began processing butter at the Lima plant in 1923. Eggs were added to the operation in 1925. Members wanted eggs and cream to be handled through one cooperative outlet. Branch plants were added later at Bellefontaine (Logan County), Fort Recovery (Mercer County) and Sardena (Brown County).^{3/}

^{1/} Ralph L. Baker, Master Thesis, Ohio State University, Cooperative Poultry and Egg Marketing in Ohio, Pages 12 to 16.

^{2/} Ralph L. Baker and C. G. McBride, Department of Agricultural Economics, Mimeographed Bulletin No. 126, Ohio State University and Ohio Agricultural Experiment Station, page 6, 1940.

^{3/} Ibid. Survey of Cooperative Poultry and Egg Marketing in Ohio, Mimeograph Bulletin 126, Dept. of Rural Econ., Ohio Agr. Exp. Sta., Wooster, OSU, P.9.

Ohio Poultry Producers Cooperative Association

The Ohio Farm Bureau Federation in developing their marketing program for Ohio did not make any effort to market poultry and eggs until the early twenties. Interest developed in Northwestern Ohio and on January 29, 1924, the Ohio Poultry Producers Cooperative Association was incorporated.^{4/} It operated in the four counties of Northwestern Ohio, Williams, Defiance, Henry and Fulton. It was the hope of the leaders to expand the operations into other sections of Ohio, but Managerial and financial troubles caused the Association to go out of business in 1932.

Another egg cooperative was started at Montpelier (Williams County) in 1931. Each farmer packed his own eggs in cases with his name on the case and shipped them together with other farmers to a bonded trucking company in New York City. The trucking company delivered the eggs to a wholesale reciever who sold each farmers eggs, deducted 70¢ per case (62¢ for transportation and 8¢ for the wholesale receivers handling charge.) During the period from July 1, 1932 to June 30, 1933, the association shipped 12,435 cases of eggs. The Farm Bureau Cooperative of Williams County managed the operation.

After a few years the prices paid by local buyers and the New York Market narrowed. The farmers did not maintain the high quality and commenced to sell to local buyers. The last weekly consignment of 40 cases was made in April 1939 and that ended the operations.^{5/}

It was largely through the efforts of the Ohio Farm Bureau (Poultry Division) that the Ohio Poultry Producers Coop. Assn. was organized and began operations at Wauseon. It was owned locally, but the Poultry division of the Ohio Farm Bureau did a lot of promotional activity in getting the organization started.

The farmer members signed a contract for three years and continued yearly unless canceled by either party between December 15-30 of each year. The contract provided for the handling of both Poultry and Eggs, and the association was affiliated with the Ohio Farm Bureau Federation.^{6/}

^{4/} L. G. Foster, A Business Study of the Ohio Poultry Producers Cooperative Association, Ohio Agricultural Experiment Station, Bul. No. 427, October, 1928, pages 3-8.

^{5/} Ralph L. Baker and C. G. McBride, Survey of Cooperative Poultry abd Egg Marketing in Ohio, Mimeograph Bulletin 126, Department of Rural Economics, Ohio Station, Wooster, Ohio State University.

^{6/} L. G. Foster, Ohio Agricultural Experiment Station, Bulletin 427, October 1928 - A Business Study of the Ohio Poultry Producers Cooperation Association. Pages 3-6.

When operations started there were 1776 producers, having 318,000 hens, that had signed contracts. The association encountered management and financial difficulties. In 1928 the association had a financial loss of more than \$10,000. In March 1929 the Board of Directors entered into a contract with the Farm Bureau for management. The Cooperative disbanded in 1932, and the Farm Bureau continued operating an egg receiving station at Wauseon for about a year and then shifted operations for egg and poultry marketing in the Northwestern Ohio to Napoleon in Henry County.^{7/}

The Cooperative Pure Milk Association of Cincinnati began to handle eggs for its members in 1936 and continued to handle eggs for years. This movement helped the farmers who produced better quality eggs to realize more than current prices for these eggs.^{8/}

The Pickaway Dairy Cooperative of Circleville handled eggs along with its dairy operations of whole milk, butter and ice cream. The association was handling approximately 6,800 cases of eggs, annually for the years 1937, and 1938.

Marketing eggs cooperatively through the Auction method in Ohio started at Wooster July 11, 1932. The organization of the Wooster Auction was influenced greatly by two egg auctions which had started in New Jersey, the first at Toms River, May 19, 1930 and the second two months later at Flemington, New Jersey.^{9/}

The farmers of Wayne County learned of this auction development through Raymond Cray and Paul Zumbro, Extension Specialists in Poultry, O.S.U. Professor E. L. Dakan, Chairman of the Poultry Husbandry Department, in the spring of 1931 took his class in Poultry Marketing on a tour of Eastern Markets. The Egg Auction at Flemington, New Jersey was included on the tour. It seemed to both E. L. Dakan; P. B. Zumbro, and the students on the tour that selling eggs by the auction method could be used in Ohio.^{10/}

The size and number of laying flocks were studied from the assessors records of seven counties; Wayne, Medina, Holmes, Ashland, Stark, Lorain, and Summit, to obtain information on size and number of flocks by townships. The four counties, Wayne, Medina, Holmes, and

^{7/} Ralph L. Baker & C. G. McBride - Survey of Cooperative Poultry and Egg Marketing in Ohio, Department of Agricultural Economics, Mimeograph Bulletin #126, Pages 10 & 11. Ohio State University and Ohio Agricultural Experiment Station.

^{8/} Ralph L. Baker and C. G. McBride, Ibid.

^{9/} Ralph L. Baker, Master Thesis, Ohio State University, Cooperative Poultry and Egg Marketing in Ohio, Pages 52-59.

^{10/} Ralph Baker and C. G. McBride, Dept. Agr. Economics & Rural Sociology, Mimeograph Bulletin No. 126, Ohio State University Agricultural Experiment Station, Page 6, 1940.

Ashland were selected for further study. When it was completed, G. A. Dustman, County Agricultural Agent, in Wayne County called a meeting, which was attended by over 100 farmers, to discuss Auction Marketing of eggs. A committee was selected to work with Extension Specialists Cray and Zumbro. It was decided that a group of ten poultry producers, E. A. Fleming, Chief of the Ohio Bureau of Markets, County Agricultural Agents V. D. Burris, and A. H. Sorenson, Extension Specialists R. E. Cray and P. B. Zumbro and George F. Henning, Marketing Specialist in the Agricultural Economics Department, Ohio State University, should visit the Auctions at Flemington, New Jersey and Doylestown, Pennsylvania.^{11/}

George F. Henning of the Agricultural Economics Department was given the responsibility of writing the "Report of Investigation of Doylestown, Pennsylvania and Flemington New Jersey Egg Auctions." Among other comments, Henning stated, "It would seem from the two day observations that the Auction method had been of considerable benefit to the producers and had performed a very worthwhile service in the bettering of marketing machinery in that territory."^{12/}

After returning from the tour, plans were launched for the formation of a cooperative egg auction at Wooster in Wayne County. The Wooster Cooperative Poultry Association was incorporated as a non-stock Cooperative May 2, 1932. The first^{13/} egg auction was held July 11, 1932, and the first poultry auction April 4, 1935.

The volume for the full 12 calendar months of 1933 was 21,776 cases of eggs but increased to over 50,000 in 1938.^{14/} The cooperative has continued through the years.

The Bucyrus Cooperative Poultry Association was started June 11, 1934, The Poultry Producers Association at Versailles in 1938 and The Northern Poultry Association at Napoleon, July 10, 1939.

The Federated Egg Cooperatives, Inc. was started in April 1939, with 5 member associations located at Bucyrus, Columbiana, Napoleon, Versailles and Wooster. In 1951 the name of the Association was changed to Federated Egg & Poultry Sales, Inc.^{15/}

^{11/} Ralph L. Baker's Thesis, Ohio State University, Cooperative Poultry and Egg Marketing in Ohio, Page 58.

^{12/} William T. Richie, Ph. D. Dissertation, Ohio State University, History and Development of Agricultural Cooperative in Ohio, Page 196-197.

^{13/} Ralph L. Baker's Thesis, Ohio State University, Cooperative Poultry and Egg Marketing in Ohio, Page 39.

^{14/} Ibid. Page 63.

^{15/} John J. Seanlan - U.S.D.A. Farmer Coop Service, FCS Special Case Study 20, March 1956, pages 3, 4, 5.

Table 9

Cooperative Associations Operating in Ohio in 1939, that

Handled Eggs Only, Poultry Only or Both^{1/}

<u>Cooperative</u>	<u>Place of Business</u>	<u>Handled Eggs only</u>
Bucyrus Coop. Assn.	Bucyrus	"
Poultry Producers Assn.	Versailles	"
Farmers Equity Creamery Co.	Lima, Bellefontaine	"
Farmers Equity Creamery Co.	Fort Recovery	"
Ohio Farm Bureau Coop. Assn.	Cleveland & Shelby	"
Sandusky County Farm Bureau Coop. Assn.	Fremont	"
Washington County Farm Bureau Coop. Assn.	Marietta	"
Pike County Farm Bureau Coop. Assn.	Waverley	"
Meigs County Farm Bureau Coop. Assn.	Pomeroy	"
Cooperative Pure Milk Assn.	Cincinnati	"
Pickaway Dairy Cooperative Assn.	Circleville	"
		<u>Eggs & Poultry</u>
Fayette County Farm Bureau Coop. Assn.	Washington C. H.	"
Jackson County Farm Bureau Coop. Assn.	Jackson	"
Farmers Equity Union Creamery Co.	Sardina	"
Wooster Cooperative Poultry Assn.	Wooster	"
Northeast Ohio	Columbiana	"
Northwestern Ohio Poultry Producers	Napoleon	"
		<u>Poultry only</u>
Richland County Farm Bureau Coop. Assn.	Mansfield	"
Farmers Equity Exchange	Lucas	"
Farmers Equity Exchange	Shelby	"

^{1/} Ralph L. Baker & C. G. McBride - Survey of Cooperative Poultry and Egg Marketing in Ohio - Department of Agricultural Economics - Ohio State University Mimeograph Bulletin 126 - Pages 22 & 23.

The Location of Cooperative Associations Marketing
Eggs and/or Poultry during 1939 ¹



^{1/} Ralph L. Baker & C. G. McBride - Survey of Cooperative Poultry and Egg Marketing in Ohio. Department of Agricultural Economics, Ohio State University, Mimeograph Bulletin 126 - Pages 22 & 23.

Early Development of the County Agricultural Agent Program
in Ohio and its Influence on Cooperative Purchasing

With the organization of the first cooperative elevator in 1904, and 34 by 1914, efforts of cooperative purchasing by elevators increased rapidly but they only covered a small part of Ohio (about 15 counties in the North-western part of the state). The Grange continued their purchasing operations started in the late eighteen seventies.

In the meantime the early development of the County Agricultural Agent movement^{1/} in Ohio started when H. P. Miller was selected as the first county Agricultural Agent in Portage County in 1912. By the close of 1914, eleven county Agricultural Agents had been employed in Ohio. Usually a county improvement association was organized before the agent was selected. These associations later were called county Farm Bureaus in Ohio, and the Agricultural Extension Service of Ohio by 1917 required that 10 per cent of the farmers in the county had to be members of the county Farm Bureau before a County Agricultural Agent would be employed. The Smith-Lever Act became effective May 8, 1914. This Act^{2/} fostered the Extension Service in the United States and appropriated U. S. Government funds for the partial payment of County Agricultural Agents' salaries. The State and counties appropriated the other funds.

In addition to their many other activities some of the County Agricultural Agents during this development period encouraged farmers to purchase farm supplies especially fertilizer on a group basis^{3/} through the County Farm Bureaus.

^{1/} Carlton F. Christian, History of Cooperative Extension Work in Agriculture and Home Economics in Ohio, June 1959, W. B. Wood, Director, pp 13 - 22.

^{2/} Ibid.

^{3/} The author as the first agricultural agent in Mercer County assisted the county Farm Bureau leaders in Mercer County in organizing to purchase fertilizer in carload lots and the payment on delivery in order to reduce the cost of fertilizer to be used in fertilizing wheat.

Table 10

THE YEAR OF EMPLOYMENT, BY COUNTIES, OF THE FIRST
COUNTY AGRICULTURE AGENTS IN OHIO

<u>Year</u>	<u>Number</u>	<u>Counties</u>
1912	1	Portage
1913	1	Geauga
1914	9	Butler, Clermont, Greene, Hamilton, Miami, Montgomery, Paulding, Trumbull, Washington
1915	4	Highland, Mahoning, Marion, Sandusky
1916	6	Clark, Cuyahoga, Franklin, Fulton, Stark, Summit
1917	7	Ashtabula, Athens, Columbiana, Lorain, Preble, Williams, Wood
1918	23	Ashland, Auglaize, Belmont, Champaign, Clinton, Crawford, Darke, Defiance, Delaware, Erie, Gallia, Huron, Knox, Lawrence, Licking, Medina, Ross, Scioto, Seneca, Shelby, Tuscarawas, Van Wert, Warren
1919	18	Allen, Brown, Carroll, Coshocton, Hancock, Hardin, Henry, Holmes, Jefferson, Lake, Madison, Monroe, Morgan, Morrow, Muskingum, Ottawa, Perry, Putnam
1920	9	Fairfield, Hocking, Jackson, Meigs, Mercer, Noble, Pike, Wayne, Wyandot
1921	3	Guernsey, Logan Richland
1922	2	Harrison, Vinton
1923	0	
1924	0	
1925	3	Adams, Fayette, Lucas
1926	0	
1927	1	Pickaway
1929	1	Union

Source: Carlton F. Christian, Agriculture Editor Emeritus, Ohio State University, History of Cooperative Extension Work in Agriculture & Home Economics in Ohio, page 20.

Table 11

The first County Agricultural Agents to serve Ohio counties were:

H. P. Miller	1912	Portage County
F. L. Allen	1913	Geauga County
W. D. Hunnicutt	1914	Butler County
W. M. Cook	1914	Greene County
D. R. Van Atta	1914	Hamilton County
M. C. Thomas	1914	Miami County
C. Ellis Bundy	1914	Paulding County
M. O. Bugby	1914	Trumbull County
E. A. Brenneman	1914	Montgomery County
E. J. Riggs	1914	Washington County
J. P. Hershberger	1915	Highland
D. W. Galehouse	1915	Mahoning County
M. C. Thomas	1915	Marion County
Walter McCoy	1916	Clark County
Roger Long	1916	Cuyahoga County
Edgar C. Rickey	1916	Franklin County
Roy A. Cave	1916	Fulton County
A. G. Smith	1916	Stark County
J. C. Hedge	1916	Summit County

Source: Carlton F. Christian, Agriculture Editor Emeritus, Ohio State University, History of Cooperative Extension Work in Agriculture & Home Economics in Ohio, page 20.

World War I brought a heavy demand on the County Agent Movement. "Food will win the war," was a slogan that was used over and over. "By the end of October 1917, more than 1,600 emergency demonstration agents, men and women, had been appointed in the United States and about 750 additional counties were employing County Agricultural Agents."^{4/} By December 1918 there were 50 Ohio counties employing County Agricultural Agents.

Many of the agricultural agents organized programs and projects for improving agricultural production, by using better methods, use of lime and fertilizer, crop improvement, seed selection, crop rotation, treatment of wheat for smut, Hessian Fly prevention, starting cow testing associations, improvement of livestock production by selection selection and better feeding, proper pruning and spraying of fruit trees, keeping of farm records for improving management, and promoted improved and better marketing.^{5/} Most of these early county organizations with which the county agents worked in Ohio adopted the name of County Farm Bureaus and worked closely with the County Agricultural Agent program. There was no state organization of Farm Bureaus at that time.

Organization of the Ohio Farm Bureau Federation

The development resulting during World War I had a tremendous expanding influence on Agricultural Extension and the County Farm Bureaus, especially in Ohio. Their leaders were called into conferences during the War period at state level with the State Extension leaders. Discussion developed among the farm leaders that the County Farm Bureaus should organize a state organization.

Depew Head, president of the Marion County Farm Bureau, asked about a dozen men who were presidents of other Ohio County Farm Bureaus to attend a conference to consider the federation of these units. Clark Wheeler and O. M. Johnson, Extension Director and County Agent Leader in Ohio respectively met with seven of the County Farm Bureau presidents in October of 1917. That meeting resulted in no definite action except to meet again during Farmers' Week of 1918, at which meeting George Cooley was named temporary chairman and O. M. Johnson as temporary secretary. They were authorized to draw up a program for the organization meeting and to correspond with all counties urging them to send representatives.

There were 76 County Farm Bureaus in existence in Ohio (with a membership charge of \$1.00 annually) at the time of the organization meeting which was held on January 27 and 28, 1919 at the auditorium of the Botany and Zoology Building on the Ohio State University campus.

^{4/} Christian, p. 19.

^{5/} H. E. Erdman, Organization Among Ohio Farmers, Ohio Agricultural Experiment Station Bulletin 342, pp. 132, 147.

The author, (Dr. George F. Henning) who had been discharged from the Army a few weeks before this meeting, had returned to Ohio State University College of Agriculture, and attended this organizational meeting of the Ohio Farm Bureau.

With 76 counties represented, the constitution was adopted. Directors were elected totaling nine. The directors met the following day (January 28, 1919) and elected O. E. Bradfute president, H. P. Miller vice-president, H. C. Rogers, temporary executive secretary and treasurer, and Depew Head recording secretary.^{6/}

This finalized the organization of the Ohio Farm Bureau Federation.^{7/} Efforts were made soon to expand the cooperative purchasing services for Farm Bureau members. The minutes of the executive Committee of the Ohio Farm Bureau Federation record on May 11, 1919, the first Manufacturer's Contract for binder twine was made with the Hoover and Allison Twine Company of Xenia, Ohio.^{8/} On October 3, 1919, the minutes of the Executive Committee record that an agreement was reached as to the divisions of commissions between state and county Farm Bureaus.^{9/} These commissions applied to coal, fertilizer, twine and other commodities.

Efforts were considered during this period by the Ohio State Grange, The Farmers Elevator Association, and the Ohio Farm Bureau Federation to coordinate the marketing of grain, purchasing of farm supplies and provide services to farmers of Ohio.

When the Ohio Farm Bureau Federation was organized, the Ohio State State Grange, local elevators, and county Farm Bureaus, had set the stage for cooperative purchasing. But each group operated independently of each other. It was evident that if the buying power of these groups were combined, the effectiveness and savings through cooperative purchasing would be materially increased.

^{6/} Ohio Farm Bureau News, February, 1929, "A Short Sketch of Organization's Early History," p. 3.

^{7/} Missouri was the first to organize March 24, 25, 1915; Massachusetts second May 11, 1915; Vermont third October 1915. O. M. Kile, "The Farm Bureau Through Three Decades," p. 45.

^{8/} Perry L. Green, History of Ohio Farm Bureau Federation, pp 141, 142, Mimeographed Manuscript on file in Ohio State University Library.

^{9/} Ibid.

M. D. Lincoln, the agricultural representative of the Old Society for Savings Bank of Cleveland, was selected Executive Secretary by the Executive Committee of the Ohio Farm Bureau Federation February 9, 1920.^{10/}

It became Lincoln's immediate responsibility to attempt to bring order out of the uncoordinated conditions which existed.^{11/} The staff of the Ohio Farm Bureau engaged itself mainly in the development of marketing cooperatives. Farm Bureau members were pressing the Executive Secretary and his Executive Committee to make purchasing services available to them.

He at once began to work toward an integrated purchasing program, trying to bring order out of the conditions which existed. Lincoln's whole idea was to do away with duplication in purchasing services being provided by all farmer agencies.^{12/}

It seemed desirable that the Ohio Grange, Farmer Elevators, Ohio Grain Dealers Association and the Ohio Farm Bureau at that time should coordinate their activities in the purchasing of farm supplies. This problem of coordination was assumed by M. D. Lincoln and after much effort and discussion, an agreement was reached on December 7, 1920, and the Ohio Farm Bureau, Ohio State Grange, and Farmer Elevators formed the Farmers Commercial Service Company. O. J. Stierwalt was employed by the organization as its purchasing agent.

The first effort made was to pool all fertilizer purchases for the fall of 1921, under the coordinated service plan. This group cooperation amounted to about 21,000 tons and was delivered to the farmers at savings of from \$3 to \$5 a ton, or a total of about \$50,000. Following the delivery of the 1921 fall pool, Lincoln took occasion to praise the Farm Bureau leaders and others for their efforts. He followed this praise by pointing out the lack of support of the pool by the farmer elevators and said that the business given the Service Company by the Farm Bureau was the only thing that kept it alive. He went on to point out the larger savings and the potential power of such pooling if only the whole farmer group would work together, and stated that this first pool had succeeded despite the bitter competition of some manufacturers.^{13/}

^{10/} Green, op. cit., p. 142.

^{11/} Lincoln graduated from Massachusetts Agricultural College in 1914 and started as the first County Agricultural Agent in Connecticut. After about one year's experience as County Agent, he was employed by the Plymouth County Trust Company, Brocton, Massachusetts as Agricultural Agent for the bank. After a short period of time he was employed as an Agricultural Representative by Myron T. Herrick, President of the Society for Savings Bank in Cleveland, Ohio. It was in this last position that George Cooley became acquainted with and suggested him to head the Ohio Farm Bureau Federation in 1920. From Ohio Farm Bureau News, August 1929, p. 3.

^{12/} Ibid.

^{13/} Green, op. cit., p. 144-146.

Following the first pool, the Commercial Service Company had deteriorated to the extent that it was temporarily reorganized with a committee, from each of the three organizations (Grange, Farmer Elevators, and the Farm Bureau) making up its membership and taking over the management.

The spring pool of 1922 was again a struggle to maintain the existence of the Service Company. The competition of the manufacturers became more bitter and they boasted that no such savings could again be made on a small lot of 12,000 tons. But, nevertheless, through the efforts of Mr. Lincoln and Mr. Beale, they were able to find manufacturers who would meet the prices of the previous pool. The spring pool, 1922, was raised to 20,000 tons and again resulted in a savings of from \$3 to \$5 per ton. The competition had been even more bitter than that of the previous pool. 14/

The Farm Bureau again furnished the major portion of the tonnage pooled and consequently, the manufacturers directed their aggressive competitive efforts against the Farm Bureau. This ended the efforts of all cooperatives in Ohio to work together cooperatively on the purchase of farm supplies. 15/

It was not difficult to understand why the farmer elevators hesitated to be led by the Farm Bureau in this competition with the fertilizer industry. They had their respective manufacturers' sales contracts and were enjoying wide margins of profit. Thus the incentive for spreading savings to the farmers generally had a somewhat limited appeal, and it was having a disturbing effect upon their patrons, many who were Farm Bureau members and who were aware of the savings being made.

Following Lincoln's failure to bring all Cooperative Purchasing in 1922 through one agency, the next move was to accept this fact and adjust business organizations accordingly.

After the fall pool of 1922 the Ohio Farm Bureau decided to organize the Ohio Farm Bureau Service Company which was incorporated January 9, 1923, with an authorized capital of \$25,000 and was owned entirely by the Ohio Farm Bureau. 16/

The action to organize the new company was taken upon the recommendation of a committee representing the Grange, the Farmers Grain Dealers Association and the Farm Bureau. All orders of each group were to be pooled wherever advantages were to be gained by so doing. The major volume of business of the previous years of the joint Service Company had been contributed by the Farm Bureau, with little or no cooperation from the other existing farm cooperatives, that the efforts to correlate and eliminate duplication were in spirit only without reality. 17/

14/ Ibid.

15/ Ibid.

16/ Ibid.

17/ Ibid.

During the summer of 1923, the Farm Bureau Service Company established a Division of Grain Sales under the managing direction of D. M. Cash, who continued with the Farm Bureau Companies for twenty-five years. This service was offered statewide to all elevators who might wish to use it. It was a plan born of a hope that coordinated economic action might finally be accomplished.

By the end of 1922, it was generally agreed by the Cooperative leaders in Ohio that a coordinated program involving the Grange, Farmer Elevators and the Farm Bureau in the purchasing of farm supplies was not desired by most of Ohio farm leaders. From that period up to the present time the cooperative agricultural interests in Ohio have remained separate as far as cooperative purchasing and grain marketing has been concerned.

Ohio Farm Bureau Corporation

The period from March 15, 1920, when M. D. Lincoln was selected as Executive Secretary of the Ohio Farm Bureau Federation to 1925, the general policy followed was one of cooperation in business activities especially with the Grange, Farmer elevators, livestock, dairy, poultry, wool, fruit and vegetable organizations.

Commodity leaders were selected to work with the important commodity groups. F. G. Ketner was the first to be employed May 11, 1920, to head livestock marketing. Others were employed later: E. D. Waid, dairy marketing; C. W. Waid, fruit and vegetable marketing; Mark J. Smith later J. F. Walker, wool marketing; A. E. Anderson, grain; and F. M. Glasgow, poultry and eggs.

These commodity leaders worked with their respective commodity groups, aided in organizing commodity cooperatives particularly on the local, county, or district level and otherwise assisted them in any area to help the cooperatives succeed that were operating at that time.

"In the first place the Farm Bureau was committed to taking no duplicating actions in any field conflicting with the major purposes of existing organizations. Hence, all the trial and error methods of those beginning years. In the second place, with regard to cooperative marketing development, Ohio had conformed to the recommendations of the national committees on cooperative marketing as had the other states."^{1/}

"It should be said that these unwritten decisions were supported partly by historical influences and perhaps more by the desires of the State Extension Service that the Farm Bureau should remain wholly an educational, promotional, semi-correlational and service organization. The Grange, Farmers Alliance, and other less important organizations had met with disastrous results earlier through their direct associations with business enterprises."^{2/}

^{1/}Perry L. Green, History of the Ohio Farm Bureau Federation, p. 153.

^{2/}Ibid.

It was during this period that the Ohio Farm Bureau membership was at a high level. It reached nearly 100,000 members in the early twenties and then declined to under 20,000 in the thirties. With fewer members, income to the Ohio Farm Bureau Federation declined after 1923 and expenses had to be curtailed. As a result by October, 1926, all of the commodity leaders had resigned except J. F. Walker of the wool department and F. G. Ketner in livestock marketing. These departments had worked out financing arrangements to support this work. For example, livestock marketing cooperatives made a deduction of 1 cent per hundredweight of livestock marketed.

During the 1924-25 period new ideas developed in the top leadership of the Ohio Farm Bureau. They were convinced that a new approach had to be attempted. On August 19, 1925, the Board of Directors of the Ohio Farm Bureau approved a plan and authorized the executive committee to incorporate an agency to be known as the Ohio Farm Bureau Corporation. It was incorporated September 3, 1925.^{3/}

In order to maintain control of the County Service Companies with the County Farm Bureau and affiliated associations, the common stock of the corporation in which all voting rights were vested was purchased by the Ohio Farm Bureau Federation and trustee in the hands of its Board of Directors and at least one representative from each affiliated association. This gave each commodity association representation and provided for correlation with the Ohio Farm Bureau. Additional capital could be secured through the issuance of preferred stock or bonds.^{4/}

The management of the Ohio Farm Bureau corporation was entirely with those leaders that Farm Bureau members had chosen to direct the Federation. The corporation had an authorized capital of \$100,000 divided into 100 agricultural shares (preferred stock) and 500 shares of no par common stock. All of the common stock was owned by the Ohio Farm Bureau Federation and, its executive committee was the governing board of the corporation. L. B. Palmer was chosen president, M. D. Lincoln vice-president and general manager, and A. S. Thomas treasurer.^{5/}

This action ended the Ohio Farm Bureau Federation's program of assistance, aid, and cooperation with the agricultural organizations in Ohio which had developed by 1920 and continued through 1924. A new policy of centralized corporation control for Farm Bureau activities was adopted. This was clearly stated and summarized by M. D. Lincoln in the Ohio Farm Bureau News of January, 1926, which was "By having one unit in each county and one in the state to finance all enterprises in their respective territories, we believe economies can be effected that will materially aid us in guaranteeing the successful prosecution of our ventures."

^{3/} Ohio Farm Bureau News, October 1925, p. 3.

^{4/} Ibid.

^{5/} Ohio Farm Bureau News, December 1925, p. 9.

"Sooner or later the farmer must put up more capital for his enterprises than he has seen fit to do up to date. Whoever finances a business controls it. To continue to operate on short time borrowed capital is not a good business policy."^{6/}

"We are convinced that to continue the policy of setting up small separate commercial units whose officers may refuse to cooperate with other associations handling the same commodities or other cooperative associations will not lead us to the desired cooperative goals nor produce the economical system that will show the proper returns to the individual producer and successfully meet competition."^{7/}

From 1926 on for the next 8 years it was the business policy of the organizations started by the Ohio Farm Bureau under Lincoln's direction to operate closely under the coordination, direction, and control of the Board of Directors of the Ohio Farm Bureau Federation.

This was set forth in a statement of Lincoln in the Ohio Farm Bureau News for August, 1927, part of which is as follows: "We are just learning that the farmer won't give us his business simply because we are a cooperative agency. The more I see of this work, the more I am convinced that we will have to perform about the same service as old line business has performed and charge about the same fees, but pay our earnings back to our patrons.....

"By handling the things that come from the farm and the things that go to the farm, including insurance and maybe some other similar services and working out a credit system that I think we must work out to make advances on the products and allow the farmer credit on his purchases, we will have a low cost of doing business that cannot be duplicated by any one. This is what we are hitting for here in Ohio. As I have said to our men many times, in order to bring about this development, we must have a field force that is physically able and mentally ready to stand pressure. Our field service is just a part of the whole scheme."^{8/}

At this point it is interesting to note how the financial operations of the Farm Bureau Service Company was progressing as reported by D. M. Cash, General Manager of the Farm Bureau Service Company.^{9/}

^{6/} To the author this was a very important statement of policy. It was a complete reversal of the 1920 to 1924 policy of Ohio Farm Bureau and continued during the period 1925 to 1934. It was switching from the cooperative commodity policy to one of centralized corporate control.

^{7/} Ohio Farm Bureau News, January 1926.

^{8/} Ohio Farm Bureau News, August 1927, p. 4.

^{9/} In the Ohio Farm Bureau News, January 1928 and earlier editions.

<u>Year</u>	<u>Volume of Business</u>	<u>Patronage Dividends</u>
1923	\$1,580,718	\$ 68,247
1924	3,894,244	124,574
1925	3,982,233	151,523
1926	4,639,928	130,822
1927	4,518,000	97,505

The 1926 and 1927 operations were under the new corporation setup and continued until the close of the 1933 business year.

During the period from 1925 through 1933 the business operations of the Farm Bureau were carried on under the centralized control of the Ohio Farm Bureau Federation as explained earlier. Apparently the business operations were little different from the preceding three or four years of operations and were not as successful as the leadership had expected.

In the September 1929 issue of the Ohio Farm Bureau News, M. D. Lincoln summarized the reasons for establishing the Ohio Farm Bureau Corporation:

"One thing badly needed which the corporation was expected to supply was a setup providing for Farm Bureau Control. . . . It finally decided that the only way the Farm Bureau could maintain control over an organization that it had set up was to hold the common stock. The plan of the Ohio Farm Bureau Corporation was therefore drawn up and adopted, and it is today (1929) the only organization out of all those financed and set up by the Farm Bureau that remained in the control of the Farm Bureau as an organization." . . .

"At that time (1929) the Ohio Farm Bureau Corporation owned the General Agency of the Farm Bureau Mutual Automobile Insurance Company. It owned the Ohio Farm Bureau Service Company and it owned the 17 corporation branches in counties that had been organized. The earnings from all these sources went to secure the preferred stock which was held by farmers and investors over Ohio. This provided a sound system of financing."^{10/}

"Then with control and finance provided for, the next need of agriculture was trained management. Looking ahead as we did to the development of a commercial program involving millions of dollars worth of business, it seemed apparent to us that some method would have to be devised to relieve the local Farm Bureau Boards from the detail of management of the business. I (Lincoln) have said many times and still think it to be true that the farmer does not care about the particular form of an organization. He wants to know that it is owned and controlled by him, that it is run for his benefit, and that he has the determination of policies. This is all provided for under the corporation plan through the ownership of the corporation by the Farm Bureau."^{10/}

The preceding several pages reasonably well point out the policy and thinking of the leaders and directors of the Ohio Farm Bureau Federation, and how their policy changed during the late twenties. As we look back at the present time and attempt to appraise and evaluate its importance, it seems it

^{10/} Ohio Farm Bureau News, September 1929, p. 6.

was another one of M. D. Lincoln's experiments in Agricultural Business operations which was expected to capture the business volume of Ohio Agriculture. The corporation idea lasted until 1934 when the business activity of the Ohio Farm Bureau Federation was again changed but with control remaining firmly in the Ohio Farm Bureau Federation.

The Farm Bureau Cooperative Association

The Farm Credit Act of 1933 was passed by the U. S. Congress and became effective June 16, 1933 and with its passage loans were made available to agricultural cooperatives in the United States to help and aid the cooperatives in their financing.

The Bank for Cooperatives that served Ohio cooperatives was located at Louisville and has continued at that location. Three kinds of loans were made available: (1) Facilities; (2) Operating capital; and (3) Commodities, grain, livestock, wool, etc.

This new source of funds available to the agricultural cooperatives in the United States was the deciding factor which influenced the leadership of the Ohio Farm Bureau Federation to change their thinking with respect to the structure of the Ohio Farm Bureau Corporation.

"Farm Bureau took another step forward with the organization of the Farm Bureau Cooperative Association, which was incorporated and launched at the meeting of the trustees (August 1933). Its purpose was to provide a cooperative company through which the marketing activities of the Farm Bureau members and others can be conducted. It conformed to both the State and Federal Cooperative laws making it eligible to government loans when desired as well as to exemption from income taxation."^{1/}

To the author, the experience with the Ohio Farm Bureau Corporation approach did not come up to the expectations of the management and the board of trustees of the Ohio Farm Bureau Federation. Probably the passage of the Farm Credit Act of 1933 offered an excellent opportunity to again return to the cooperative type of business since the Bank for Cooperatives offered agricultural loans to the agricultural cooperatives and aided in the financing of farm cooperatives.

During 1933 the Farm Bureau Federation organized 11 county Farm Bureau Cooperatives^{2/} and 63 more were organized in 1934,^{3/} making a total of 74 associations. Others were organized later making 83 county associations in Ohio at the peak period.^{4/} There were 25 bulk oil stations at that time.

^{1/} Ohio Farm Bureau Federation News, August 1933, p. 4.

^{2/} Ohio Farm Bureau News, January 1934, p. 10. These counties were Lorain, February 11; Shelby, August 1; Knox, August; Columbiana, September 21; Mahoning, September 22; Portage, October 4; Stark, October 6; Washington, October 14; Harrison, October 31; Auglaize, November 1; Wood, November 20.

^{3/} Ohio Farm Bureau News, February 1935, p. 14.

^{4/} The Ohio Council of Farm Cooperatives. June 1951. Ohio Counties not having Farm Bureau Cooperatives were Erie, Lake, Lawrence, Monroe and Vinton.

The years 1933 and 1934 marked the end of the corporation approach to purchasing and marketing and a switch over to the regular cooperative organization approach. This switch enabled not only the state association but also the county organizations to borrow money from the Bank for Cooperatives with offices at Louisville, Kentucky.

This marked the beginning of the Ohio Farm Bureau Cooperative Association which has continued through the years to the time of publication of this bulletin and the eventual elimination of the corporation.

The Ohio Farm Bureau Federation trustees met March 13 and 14, 1934, at Columbus. Following the meeting of the trustees, the First Annual Meeting of the Farm Bureau Cooperative Association was held. At that meeting, the code of regulations of the cooperative association was amended so as to provide for twenty two district directors and four women directors and the control. Directors elected at the first annual meeting of the Ohio Farm Bureau Cooperative Association were the same men and women serving as trustees of the Ohio Farm Bureau Federation.^{5/} This policy has continued through the remaining years to the present time with the control in the Ohio Farm Bureau Board and the Ohio Farm Bureau Cooperative Association supporting the Ohio Farm Bureau Federation financially.

^{5/} Ohio Farm Bureau News, April 1934, pages 6 and 7.

Federal Farm Loan Associations

The Federal Farm Loan Act of 1916 was signed by President Woodrow Wilson July 17, 1916. This act was the culmination of much study and a vital need throughout the nation for a better system of Farm Credit.^{1/} The Act according to the law was administered by the Federal Farm Loan Board of Four appointed by President Wilson along with the Secretary of Treasury, who according to the law was a member and chairman ex officio of the newly created Federal Farm Loan Board.

The Board on December 27, 1916 announced the location of the 12 Federal Land Banks and their district headquarters. The one for Ohio included three other states: Indiana, Kentucky, and Tennessee with headquarters at Louisville, Kentucky. This same four-state district has continued from 1916 to the present time.

The Federal Farm Loan Act of July 17, 1916 provided for the organization of local cooperative farm loan associations to assemble the mortgages offered by farmers, endorse them, and thus enable farmers to borrow from the Federal Land Banks. Ten or more farmers who wished to get the benefits of this cooperative Credit System could form a national Farm Loan Association by offering satisfactory security for Land Bank Loans amounting to \$20,000 or more and incorporate with a charter granted by the federal Government. The Federal Land Banks were organized to give farmers long-term (5 to 40 years) amortized loans secured by First Mortgages on their farms. The land banks were authorized to sell bonds to the public by using the mortgages signed by the farmers, which gave security to the operation, and it was successful from the beginning.

The Farm Loan Act provided for the organization of local farm loan associations which made the loans to the farmers with the farm as security and appraised by representatives of the Federal Land Bank. If approved by the Federal Land Bank the loan was made. The system was a success and has continued successfully since organization. It became a very dominant factor in financing agriculture from its organization and kept farm loans at a very satisfactory rate to farmers.

^{1/} 1917-1957 Years of Progress with the Cooperative Land Bank System. Farm Credit Administration, Washington, D. C. Circular E-43, January 1957, pp 1, 2, 17.

The First Farm Loan Association in Ohio was incorporated July 25, 1917, in Lake County with headquarters at Painesville, and the second at Rome in Ashtabula County, July 31, 1917, with headquarters at Jefferson. Nine more were started in 1917, making eleven for the year 1917, eight for 1918, seventeen for 1919, four for 1920, ten for 1921, or a total of fifty. (Figure 12)

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The Farm Loan Association in Ashtabula County was organized November 14, 1938, In Madison County Jan 20, 1939, and Ross County July 14, 1939. See Figure 12. These were the last to be organized in Ohio. Since that time the tendency has been to merge and combine the county organizations into larger operations covering a district of several counties.

The twelve Federal Land Banks in the United States as of December 31, 1917 had \$8,892,130.00 of the Capital Stock owned by U. S. Government and \$1,932,683.00 owned by Land Bank Associations. At the bottom of the depression, in 1932 the U. S. Government had common stock amounting to \$125,046,410. By 1939 the amount of common stock owned by the U. S. Government was \$125,000,000 and the amount owned by Land Bank Associations was \$107,786,870. By 1946 the amount owned by the U. S. Government had all been retired and the amount owned by the Land Bank Associations was \$60,698,118. Since that time the earnings were such that the Federal Land Banks were all financed by the Land Bank Associations. Over a period of 30 years the Federal Land Banks made enough loans and earnings to completely retire the investment of the U. S. Government.^{1/}

^{1/} The Federal Land Bank System published in 1967 by the U. S. Government Printing Office.

Figure 12: Organization Date of the First Farm Loan Associations in Ohio



Table 12

Farm Loan^{1/} Associations in Ohio Started by December 31, 1917

<u>Association</u>	<u>Date Chartered</u>	<u>Headquarters</u>	<u>Territory Served Counties</u>
Adams County	10-10-17	West Union	2
Cincinnati	11-14-17	Lebanon	5
Cleveland	11-27-17	Cincinnati	5
Coshocton County	9-12-17	Coshocton	2
Fostoria (Sececa)	9-19-17	Tiffin	6
Lake County	7-25-17	Painesville	1
Noble County	10-03-17	Caldwell	3
Northwestern Ohio	11-14-17	Toledo	5
Preble County	12-06-17	Eaton	3
Rome (Ashtabula Co.)	7-31-17	Jefferson	2
St. Michaels (Defiance Co.)	10-16-17	Defiance	3

Started during Years

Geauga County	8-01-18	Chardon	1
Mahoning County	9-07-18	Youngstown	2
Montgomery County	4-20-18	Dayton	6
Portage County	7-26-18	Reverna	6
Springfield (Clark Co.)	12-17-18	Springfield	1
Trumbull County	4-17-18	Warren	4
Wapakoneta (Auglaize)	12-27-18	Wapakoneta	3
Wood County	5-10-18	Bowling Green	6

^{1/} Seventeen more were started in 1919 and four more in 1920. By the end of 1920 there had been organized 40 Farm Loan Associations in Ohio.

Table 13

Federal Land Bank Loans Outstanding^{1/}

<u>Year Ended</u>	<u>For United States</u>		<u>For Ohio</u> ^{2/}	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
Dec. 31, 1918	-	\$ 156,213,892.00	-	-
Dec. 31, 1920	126,179	349,678,988.00	-	-
Dec. 31, 1930	410,493	1,189,604,354.00	7,338	\$ 26,212,600.00
Dec. 31, 1940	613,098	1,851,218,349.00	18,985	51,859,240.00
June 30, 1950	308,798	930,703,611.00	6,784	19,119,511.00
June 30, 1960	376,371	2,487,067,645.00	10,282	87,264,439.00
June 30, 1965	384,330	4,057,523,965.00	10,899	144,536,781.00
June 30, 1966	389,744	4,724,960,501.00	11,163	170,090,247.00

^{1/} The Federal Land Bank System 1917-1967, Circular E-43 Farm Credit Adm. Jan. 1967.

^{2/} Obtained by Prof. Ray Bailey in personal interview of offices of Ohio District.

Production Credit Associations

After World War I, credit to farmers was difficult to obtain especially to carry on farm operations. Loans on many farms were at the maximum and short term credit was difficult to get. Commercial banks were limited on loans because of short supply of deposits.

To meet this difficulty and to provide for a short term credit system (one to three years) fitted to agriculture, Congress in 1923 passed the Agriculture Credit Act and it was signed by President Warren G. Harding, March 4, 1923. It provided for a federal intermediate credit bank with authorized capital stock of \$5,000,000.00 in each of the twelve federal land bank districts. The intermediate credit banks did not make loans direct to farmers. Instead these banks discounted loans or notes from agricultural credit corporations, livestock loan associations, state and national banks, production credit associations, and banks for cooperatives. Only a limited number of farmers were reached because of the lack of local institutions designed to make sound credit available at the farm level.

By 1933, many agricultural leaders were convinced that a sound and practical system of short term credit was needed. It was the thinking that farmers should have an important part in it, and that something practical should be done. Many mortgaged farms were being foreclosed and most farmers had no source of operating credit.

As a result of this serious agricultural condition of farmers, President Franklin D. Roosevelt issued an Executive Order on March 27, 1933, reorganizing the Agriculture Credit Agencies of the U. S. and to be effective May 27, 1933. This order brought the functions of existing Agriculture Credit Agencies created by Acts of Congress under the newly established Farm Credit Administration. This included the Federal Farm Loan Board, the Federal Land Banks, the Federal Intermediate Credit Banks, the Federal Farm Board, the crop and seed loans, and the Regional Agricultural Credit Corporations.

In 1933 Congress established the Farm Credit Act which provided for the organization of 12 Production Credit Corporations in the United States and were located in each of 12 Farm Credit Districts.

The Production Credit Corporation of Louisville was incorporated December 19, 1933, the last of the 12 to be organized in the United States and was to serve the States of Tennessee, Kentucky, Indiana, and Ohio. The first was the Production Credit Corporation of St. Louis, Missouri, August 9, 1933. The remaining ten were organized during the intervening period of 132 days.^{1/}

^{1/} C. R. Arnold - Governor Farm Credit Administration - Farmers Build Their Own Production Credit System - Circular E-45 published Aug., 1958, by Farm Credit Adm., Washington, D. C. - page 15.

The Production Credit Corporation of Louisville was assigned initial capital of \$7,500,000. In Ohio it was decided to have 12 Production Credit Association Fig. 13. These twelve were located at Ashland, Black Swamp at Fostoria, Cambridge, Columbus, Defiance, Elyria (Lorain County), Jackson, Lebanon, Marion, Miami Valley, Wapakoneta and Warren. On February 1, 1946 The Ashland and Elyria Production Credit Associations consolidated under the name of Farmers Production Credit Association of Ashland, with headquarters at Ashland, Ohio.^{2/}

^{2/} Letter from J. W. Brown, Oct. 1, 1965, Senior Vice President of Federal Intermediate Credit Bank of Louisville.

Figure 13: Ohio Production Credit Associations Organized in 1934 by Groups of Counties per Association



Banks for Cooperatives

The financial Depression of The Early Thirties (1930 to 1934) had a severe financial shock on many of the Agricultural Cooperatives operating at that time.

About 5 percent of the Cooperatives in the United States were forced to cease operations, and many had severe financial difficulties. Many private business firms were closed. This was a very severe depression. To help overcome this financial crisis for Agricultural Cooperatives and farmers, Congress passed the Farm Credit Act of 1933. The Act included provisions for setting up the 13 Banks for Cooperatives,^{1/} one in each 12 Farm Credit Districts and the Central Bank for Cooperatives in Washington, D. C. The Bank for Cooperatives serving Ohio was located at Louisville, Kentucky, and was organized December 19, 1933. It also furnished finance to Cooperatives located in Tennessee, Kentucky, and Indiana.

One of the earliest efforts to provide special loans to Cooperatives came in 1920 with the Revival of the War Finance Corporation. Among its various activities, it was authorized to make loans to Farmer Cooperatives.^{2/} The Federal Farm Board created by the Agriculture Marketing Act of 1929 had as its major assignment to organize and strengthen farmers' Cooperatives and to make loans to such associations from its \$500 million revolving fund. The price-supporting functions were taken over by the Agricultural Adjustment Administration in 1933, and the Farm Board was used as the nucleus for bringing together into the Farm Credit Administration various farm lending activities sponsored by the Government.

The Farm Credit Act of 1933 formalized the Farm Credit Administration and provided for the establishment of a Central Bank for Cooperatives and 12 regional banks. Assets remaining in the Farm Board's revolving fund provided initial capitalization for these banks.^{3/}

The Banks for Cooperatives were authorized to make commodity, operating, and facility loans to Farmer Cooperatives in their districts. The Central Bank for Cooperatives participated in loans which were too large for the district bank to handle by itself. The loan funds were obtained from the sale to investors of consolidated collateral trust debentures and by borrowing from Intermediate Credit Banks, Land Banks, other Banks for Cooperatives, and Commercial Banks.^{4/}

^{1/} Bank for Cooperatives, A Quarter Century of Progress, published by Farm Credit Admin., June, 1960, Circular E-47, Page 2.

^{2/} Agricultural Lending Agencies, published by the Agriculture Committee the American Bankers Assn., 12 East 36th Street, New York 16, New York Page 26.

^{3/} Ibid, page 27.

^{4/} Ibid, page 27.

Table 14

Dates of Incorporation of Ohio Production Credit Associations

Defiance	January 23, 1934
Columbus	January 26, 1934
Cambridge	February 6, 1934
Jackson	February 5, 1934
Lebanon	January 27, 1934
Miami Valley (Dayton)	January 25, 1934
Wapakoneta	January 25, 1934
Marion	February 8, 1934
Warren	February 8, 1934
Ashland	February 9, 1934
Northern Ohio (Fostoria)*	March 16, 1934 (at Pemberville)

*It was known also as Black Swamp

Rural Electric Cooperatives

The first pole was set at Piqua, Ohio, November 14, 1934, that started the first cooperative rural electrification project in the United States. This was the first effort of bringing electricity to Rural Ohio through farmer owned Rural Electric Cooperatives which has been of tremendous importance to Rural Ohio from 1935 to the present time.

The Miami Rural Electric Cooperative was the first to be incorporated in Ohio, October 17, 1935, and on November 14, 1935, a group of cooperative farm people gathered together at Piqua, Ohio and started the construction of the first cooperative rural electrification project in the United States.^{1/}

Shelby, Lorain, Medina, and Champaign rural electrification projects were the next to get under construction in Ohio.^{2/}

Table 15

Miami Rural Electric Cooperative was the first to be incorporated October 17, 1934, in Ohio. Dates of incorporation of the 28 other Rural Electric Cooperatives are listed below.

Holmes Rural Electric Coop, Inc., Millerburg, Ohio, October 30, 1935
 Lorain-Medina Electric Coop., Inc., Wellington, Ohio, December 10, 1935
 Logan Co. Coop Power & Light Assn., Inc., Bellefontaine, Ohio, December 16, 1935
 Inter Co. Rural Electric Coop., Inc., Hillsboro, Ohio, December 23, 1935
 Midwest Electric Inc., St. Marys, Ohio, March 17, 1936
 Tri-County Rural Electric Coop., Inc., Napoleon, Ohio, March 24, 1936
 Marion Rural Electric Coop., Inc., Marion, Ohio, April 2, 1936
 Delaware Rural Electric Coop., Inc., Delaware, Ohio, April 2, 1936
 Butler Rural Electric Coop., Inc., Hamilton, Ohio, April 4, 1936
 Licking Rural Electric Coop., Inc., Utica, Ohio, April 7, 1936
 North Central Rural Electric Coop., Inc., Attica, Ohio, April 17, 1936
 Union Rural Electric Coop. Inc., Marysville, Ohio, May 20, 1936
 South Central Rural Electric Coop., Inc., Lancaster, Ohio, May 30, 1936
 Drake Rural Electric Coop., Inc., Greenville, Ohio, June 4, 1936
 Morrow Rural Electric Coop., Inc., Mt. Gilead, Ohio, June 10, 1936
 North Western Rural Electric Coop., Inc., Bryan, Ohio, June 16, 1936
 Paulding-Putnam Rural Electric Coop., Inc., Paulding, Ohio, June 16, 1936
 Carroll Electric Coop., Inc., Carrollton, Ohio, December 27, 1937
 Belmont Electric Coop., Inc., St. Clairsville, Ohio, February 11, 1938
 Firelands Electric Coop., Inc., New London, Ohio, February 20, 1938
 Guernsey-Muskingum Electric Coop., Inc., New Concord, Ohio, April 4, 1938
 United Rural Electric Coop., Inc., Kenton, Ohio, April 15, 1938

^{1/} Page 9, Ohio Farm Bureau News, December, 1935

^{2/} Page 4, Ohio Farm Bureau News, March, 1936 Lorain & Medina was one Rural Electric project.

Government-held Class A Stock totaled \$118 million on June 30, 1960, compared with a peak in previous years of \$178.5 million. Class B Stock amounted to about \$14 million and Class C to \$32 million. The combined net worth of the Banks for Cooperatives on June 30, 1960, was \$262 million.

On June 30, 1960, there were 2,754 loans of the 13 Banks for Cooperatives which totaled \$551 million. Of these loans there were \$267 million for operating purposes; \$248 million for facilities; and \$36 million for commodity loans.^{5/}

^{5/} Ibid, page 28.

Table 16

Ohio Rural Electric Cooperatives for Year Ending

June 30, 1939

	<u>Total Amount Allotted</u>	<u>Total Miles</u>	<u>Total Consumers</u>
Pioneer Rural Electric Coop., Inc.	\$1,369,000	1,174	4,616
Delaware Rural Electric Coop., Inc.	293,000	289	940
Inter Co. Rural Electric Coop., Inc.	819,200	727	2,749
Marion Rural Electric Coop., Inc.	265,000	255	800
Holmes Rural Electric Coop., Inc.	688,000	627	2,165
Belmont Rural Electric Coop., Inc.	527,500	468	1,989
Midwest Rural Electric Coop., Inc.	639,000	587	2,000
Faulding-Putnam Rural Electric Coop., Inc.	550,725	539	1,800
Licking Rural Electric Coop., Inc.	540,000	531	1,776
Darke Rural Electric Coop., Inc.	469,000	446	1,326
Union Rural Electric Coop., Inc.	439,500	340	1,398
Tuscarawas-Coshocton Rur. Electric Coop.	533,000	516	1,749
Lorain-Medina Rur. Electric Coop., Inc.	480,000	369	1,345
Morrow Rural Electric Coop., Inc.	316,000	324	1,149
North Central Rur. Electric Coop., Inc.	721,000	674	2,223
South Central Rur. Electric Coop., Inc.	772,000	743	2,854
Tri-County Rural Electric Coop., Inc.	176,000	170	750
Logan Co. Rural Electric Coop., Inc.	269,500	230	1,249
Butler Rural Electric Coop., Inc.	309,600	320	1,249
Northwestern Rural Electric Coop., Inc.	486,000	458	1,639
Firelands Rural Electric Coop., Inc.	265,000	240	785
Carroll Rural Electric Coop., Inc.	343,000	317	1,039
United Rural Electric Coop., Inc.	309,000	307	1,114
Guernsey-Muskingum Rur. Elec. Coop., Inc.	546,000	515	1,896
Hancock-Wood Rur. Electric Coop., Inc.	525,000	477	1,339
Buckeye Rural Electric Coop., Inc.	154,000	152	661
Total for Ohio	\$12,804.025	11,795	42,211

Source: 1939 Report of Rural Electrification Administration, page 289.

Hancock-Wood Electric Coop., Inc., North Baltimore, Ohio, April 20, 1938
Tuscarawas-Coshocton Electric Coop., Inc., Coshocton, Ohio, June 5, 1938
Buckeye Rural Electric Coop., Inc., Gallipolis, Ohio, August 29, 1958
Adams Rural Electric Coop., Inc., West Union, Ohio, July 25, 1940
Washington Rural Electric Coop., Inc., Marietta, Ohio, September 14, 1940
Lake Erie Electric Coop., Inc., Kelly's Island, Ohio, June 21, 1949

By June 30, 1939, twenty-six rural electric cooperatives were operating in Ohio, and had borrowed from Rural Electric Administration \$12,804,024 for financing the construction of 11,795 miles of line to furnish electricity to 42,211 rural consumers.

Table 16 points out the difference in the number of rural consumers and miles of line for the twenty-six Rural Ohio Cooperatives. At that time there were approximately 3.6 consumers per mile of line.

Table 18

Ohio Rural Electric Cooperatives
For the Year 1952

No. of Consumers Served	102,675
Miles of Line	27,098
Members Investment in Ohio Electric Coop.	\$ 7,107,874.22
Money Invested in Plant	43,851,544.77
Money Borrowed	40,863,598.22
Principal Repaid	\$10,329,941.51
Annual K.W.H. Used Per Member 1952	3,448
Total L.W.H. Purchased in 1952	386,800.53
Total Cost of Power for 1952	\$ 3,340,560.23

On July 8, 1941 Ohio's Electric Coops established a statewide organization -- The Ohio Rural Electric Cooperatives, Inc.

Source: Coop Power in Ohio, page 42

Table 17

R.E.A. Loans & Results From Their Expenditures for Ohio
June 30, 1949^{1/}

Ohio - Total Loans.	\$42,374,580
Miles Energized.	25,755
Consumers Connected.	104,451
Total Farms Electrified.	99.4%

There were 29 energized systems operating in Ohio, which had 99.4% of the farms electrified. The next closest state was New Jersey with 97.9%, and Rhode Island was third with 97.7% of farms electrified.

^{1/} Source: Report of the Administrator of the Rural Electrification Administration.

SERVICE AREAS OF RURAL ELECTRIC SYSTEMS IN OHIO

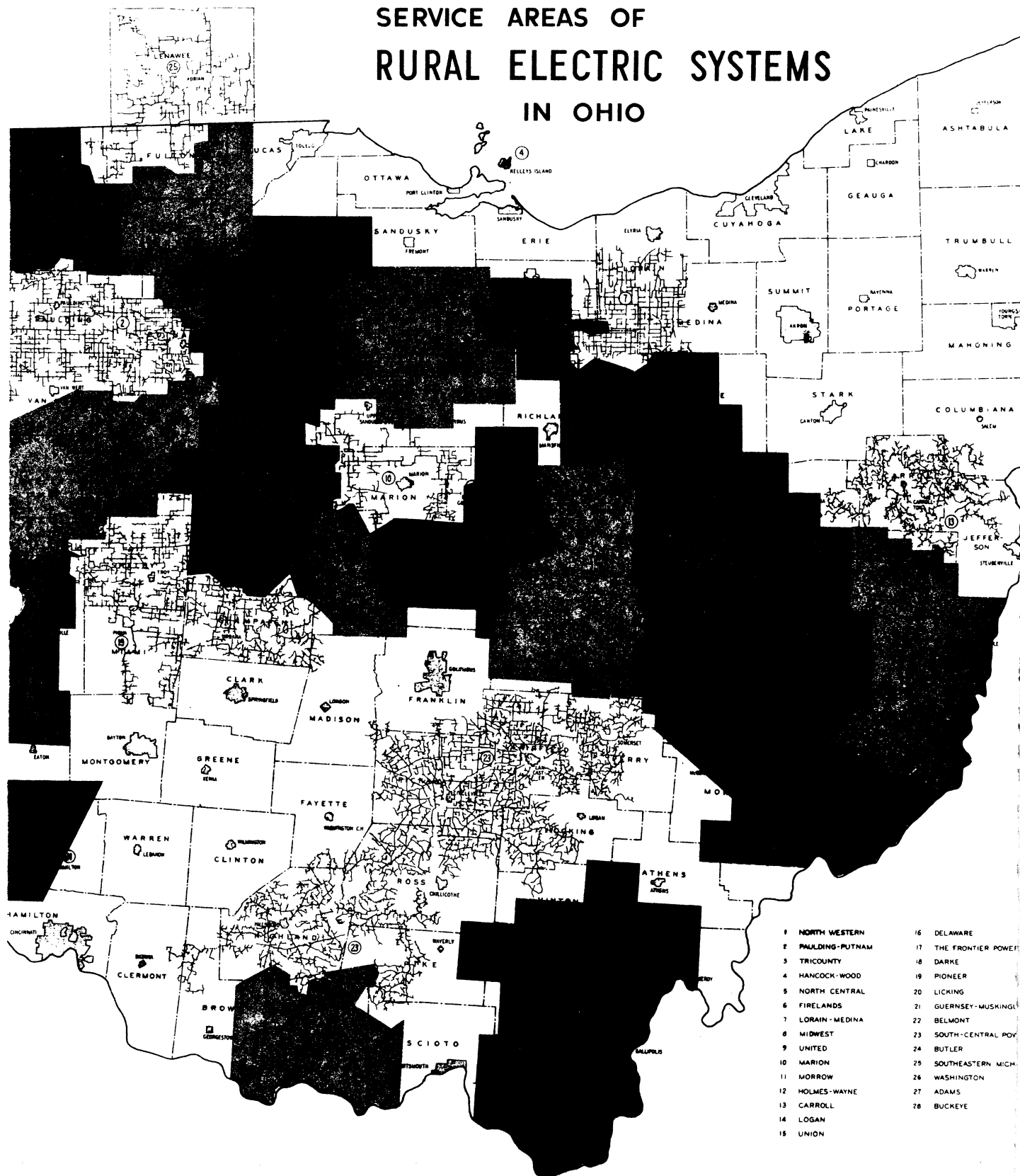


Table 19 Millions of Connected Consumers & Miles of Line Energized by
REA Borrowers for the United States as of June 30 for Selected Years 1936 - 1956

<u>Year</u>	<u>Miles of Line Energized (Cumulative)</u>	<u>Consumers Connected (Cumulative)</u>
1936	400	693
1938	41,736	268,000
1940	232,978	549,604
1945	424,072	1,287,347
1950	1,018,336	3,251,787
1955	1,348,069	4,187,825

Source: Powers Facts Handbook, by Paul Nelson and Clay L. Cochran
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APPENDIX A

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